

รายงานประจำปี



ANNUAL REPORT

2016

Nation International Edutainment Public Co., Ltd.



Nation International
Edutainment
Public Co., Ltd.
1858/123-124
Bangna-Trad Road,
Bangna, Bangkok
10260 Thailand
Tel. (662) 338 3333
Fax. (662) 338 3904

ANNUAL REPORT 2016

> 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	• Publishing Business: Publishes and distributes wide range of books and magazines for children and grown-ups. • Service Business for Oversea Publications: Provides oversea 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. • Education
Head Office	1858/123-124, 29 th 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, 2016).

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Direct Subsidiaries				
Nation Global Edutainment Co., Ltd. ¹ 1858/123-124 29 th Floor Bangna-Trad Road, Bangna, Bangkok	Publishing	99.47	97,000,000	97,000,000
Nation Kids Co., Ltd. ² 1858/123-124 29 th Floor Bangna-Trad Road, Bangna, Bangkok	Produce and conduct business as a content provider with multimedia channels including TV	99.99	1,000,000	1,000,000

Note :

1. On June 30, 2016, the merger of two subsidiaries, Nation Global Edutainment Co., Ltd. and Nation Edutainment Co., Ltd., which were the entire business transfer under the common controls for the restructuring of the Group's business operation. Thereafter, Nation Global Edutainment Co., Ltd. has the registered share capital of Baht 97 Million and Nation Edutainment Co., Ltd. registered the liquidation with the Ministry of Commerce and completed the liquidation on October 17, 2016.

2. Nation Kids Co., Ltd ceased commercial operations in May 2014 and registered liquidation on December 27, 2016 and in the process of liquidation.

➤ Summary of Financial Data and Investments

(Unit: in Million Baht)

1. Data from Consolidated Financial Statements		2016	2015	2014
• Sales and Service Income		161.29	211.01	241.45
• Total Revenues		182.21	227.62	261.36
• Gross Profit Margin		61.48	57.12	64.14
• Profit Before Interest, Taxes, Depreciation and Amortization		(189.30)	11.06	31.01
• Net Profit (loss)		(213.86)	(18.53)	1.71
• Total Assets		376.49	659.40	711.43
• Shareholders' Equity		267.14	487.03	516.27

2. Financial Ratios		2016	2015	2014
• Total Debts to Equity	Times	0.41	0.35	0.38
• Gross Profit Margin	%	38.12	27.07	26.56
• Net Profit (loss) on Total Revenues	%	(117.37)	(8.14)	0.66
• Return on Equity	%	(56.71)	(3.69)	0.33
• Return on Total Assets	%	(41.29)	(2.70)	0.23
• Earnings (loss) per Share (Basic)	Baht	(1.251)	(0.108)	0.01
• Earnings (loss) per Share (Diluted)	Baht	-	-	-
• Dividend per Share	Baht	0.022	0.07	0.10
• Book Value per Share (Basic)	Baht	1.57	2.86	3.04
• Book Value per Share (Diluted)	Baht	1.57	2.86	3.04

➤ 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 Global Edutainment Co., Ltd.	97.00	99.47
TV Program		
Nation Kids Co., Ltd. (Registered liquidation on December 27, 2016 and in the process of liquidation)	1.00	99.99

➤ 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 2015 and retained earnings at Bt 0.022 per share, totaling Bt 3.74 million. Payment was made on May 24, 2016.

Statement from the Chairman

Nation International Edutainment Public Company Limited

Dear Shareholders,

For many industries, 2016 proved to be a challenging year economically, both at the national and global levels. This was the result of impacts from 2015 that continued to be felt, and which may well continue into 2017. The primary factors are volatility in the global market, rapid changes in digital technology and transformations in consumer behavior which are closely linked to technology change. Each organization needs to adapt and adjust its strategies to cope with the challenges brought by these changes.

In 2016, Nation International Edutainment Public Company Limited adjusted its strategic directions and implemented development measures in a number of areas in order to expand markets and add new target customer segments. This was especially true in the digital market, which is undergoing rapid expansion at present and is likely to continue to experience growth in the future. The company's core business remains the production of quality publications for children and adults, focusing on books with high turnover and circulation, and write-off old stock, which is one reason that performance figures in the past have not clearly reflected the actual business circumstances. The company is also now focusing more on developing and promoting e-commerce through nstore.net, which serves as an aggregator of publications and other products to maintain growth in the digital segment. Nation Junior (NJ) is another expanding area, with a readership base of 450,000 students from 1,500 schools each week. The company remains committed to the presentation of quality and trustworthy content with consumer satisfaction as its foremost consideration.

I would like to extend my thanks to the company's shareholders, customers, business partners and employees, who have dedicated themselves to carrying out their duties to the best of their ability. Each and every one of them plays an essential role in the continuing stability and growth of the company.



Mr. Thepchai Sae-Yong
Chairman

➤ Board of Directors & Management Team

Ms. Nutvara Seangwarin
Directors

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

Mr. Thepchai Sae-Yong
Chairman of the Board
of Directors

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

Ms. Natenapa Pusittanont
Director and Managing Director

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

Mr. Supoth Piansiri
Directors



> Management Team

Ms. Thitagan Thana-Olarn

Vice President - Business
Development

Ms. Boonpa Saebay

Assistant Vice President -
Accounting & Financing

Mr. Sangchai Leelanawalikhit

Vice President - Sales

Ms. Pimpimol Kongkreingkrai

Editor





Director



Mr. Thepchai Sae-Yong

Position Chairman of the Board of Directors

Age 61 years

Education Background

- Assumption Commercial College (ACC)

Training Course(s)

Thai Institute of Directors

- Directors Certification Program (DCP #177/2013)

Thailand Energy Academy

- Program executives Energy Science (TEA#5/2014)

Training Course(s) 2016

- N/A -

No. of Shares Held as at December 30, 2016

Mr. Thepchai Sae-Yong	- shares (0.00%)
Spouse	- shares (0.00%)
Minor child	- shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

2012 - Present	Group Editor-in-Chief Nation Multimedia Group Plc.
2014 - 2015	Director - Nation International Edutainment Plc.
2016 - Present	Chairman of the Board of Directors Nation International Edutainment Plc.

Director of Other Listed Company

2013 - Present	Directors Nation Broadcasting Corporation Plc.
2016 - Present	Chairman of the Board of Directors and Chief Executive Officer Nation Multimedia Group Plc.
2016 - Present	Chairman of the Board of Directors Nation Broadcasting Corporation Plc.

Director of Other Non - Listed Company

2012 - Present	Director Nation News Network Co., Ltd.
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Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

7 Months 11 Days (Appointed as a director since August 9, 2014)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors	1/1
Annual General Meeting of Shareholders	N/A
Extraordinary General Meeting of Shareholders	N/A



Director

Ms. Natenapa Pusittanont

Position Director and Managing Director

Age 46 years

Education Background

- Master's Degree Master of Accountancy (M.Acc.)
Chulalongkorn University.
- Bachelor's Degree Bachelor of Accounting (B.Acc.)
(Financial Accounting) second-class honors University of the
Thai Chamber of Commerce.

Training Course(s) 2016

- Merger and Acquisition
- Update TAS 12 Income Taxes (revised 2014)
- Cash flows statement (Work Shop)
- Draft TFRS 9, TAS 32, TFRS 7, TFRIC 16 and TFRIC19

No. of Shares Held as at December 30, 2016

Ms. Natenapa Pusittanont 1,000 shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

2012 - 2015	Vice President Accounting Nation Multimedia Group Plc.
2015 - Present	Assistant Senior Vice President Accounting Nation Multimedia Group Plc.
2016 - Present	Director and Managing Director Nation International Edutainment Plc.

Director of Other Listed Company

- N/A -

Director of Other Non - Listed Company

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

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

9 Days (Appointed as a director since December 23, 2016)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors	1/1
Annual General Meeting of Shareholders	N/A
Extraordinary General Meeting of Shareholders	N/A



Director



Mr. Supoth Piansiri

Position Director

Age 48 years

Education Background

- Bachelor of Accounting (Auditing) 2nd honor, University of the Thai Chamber of Commerce

Training Course(s)

Affiliate Pac Rim Group

- The 7 Habits of Highly Effective People

Faculty of Commerce and Accountancy, Chulalongkorn University

- Strategy Management Program # 1/2011

Thai Institute of Directors

- Directors Certification Program (DCP) # 150/2011

Federation of Accounting Professions of Thailand

- CFO Current Issues for 2015

Training Course(s) 2016

- Update Thai Accounting Standards (TAS) 12, Income Taxes (Revolution of 2014)
- Preparation of Cash Flow (practice)
- Understanding the TFRS9, TAS32, TFRS7, TFRIC16 and TFRIC19

No. of Shares Held as at December 30, 2016

Mr. Supoth Piansiri 5,000 shares (0.003%)

Relationship with NINE's Executive

- N/A -

Experience

2012 - Present Senior Vice President
Accounting Nation Multimedia Group Plc.

2016 - Present Director Nation International Edutainment Plc.

Director of Other Listed Company

2016 - Present Director Nation Multimedia Group Plc.

2016 - Present Director Nation Broadcasting Corporation Plc.

Director of Other non-Listed Company

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

2010 - Present Director Kom Chad Luek Media Co., Ltd.

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

2013 - Present Director WPS (Thailand) Co., Ltd.

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

2014 - Present Vice - Rector for Administration Nation University

2014 - Present Director Yomiuri - Nation Information Service Co., Ltd.

2014 - 2016 Director Nation Kids Co., Ltd.

2014 - 2016 Director Nation Edutainment Co., Ltd.

2015 - Present Honorary Member Nation University

2016 - Present Director NML Co., Ltd.

2016 - Present Director Nation U Co., Ltd.

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

9 Days (Appointed as a director since December 23, 2016)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors 1/1

Annual General Meeting of Shareholders N/A

Extraordinary General Meeting of Shareholders N/A



Director

Ms. Nutvara Seangwarin

Position Director

Age 49 years

Education Background

- Master of Public and Private Management Program, National Institute of Development Administration (NIDA)
- BA Business Administration, Business Computer, Kasem Bundit University

Training Course(s)

Thai Institute of Directors

- Directors Certification Program (DCP # 148/2011)

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

- Executive Development Program (EDP # 11)

King Prajadhipok's Institute

- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives # 9

Commerce Academy

- TOP Executive program in commerce and trade (TEPCOT # 8)

Training Course(s) 2016

- N/A -

No. of Shares Held as at December 30, 2016

Ms. Nutvara Seangwarin - shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

- | | |
|----------------|--|
| 2013 - Present | Executive Vice President - Marketing
Nation Multimedia Group Plc. |
| 2016 - Present | Director Nation International Edutainment Plc. |

Director of Other Listed Company

- | | |
|----------------|---------------------------------------|
| 2016 - Present | Director Nation Multimedia Group Plc. |
|----------------|---------------------------------------|

Director of Other Non - Listed Company

- | | |
|----------------|--|
| 2012 - Present | Director Krungthep Turakij Media Co., Ltd. |
|----------------|--|

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

9 Days (Appointed as a director since December 23, 2016)

The Meeting Attendance / Meeting Held (Frequency)

- | | |
|---|-----|
| Board of Directors | 1/1 |
| Annual General Meeting of Shareholders | N/A |
| Extraordinary General Meeting of Shareholders | N/A |



Director



Mr. Somsak Cheer Chiranakhon

Position Independent Director and Chairman of The Audit Committee

Age 73 years

Education Background

- 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) 2016

KPMG

- Assessing Board Effectiveness
- Stay on course : Impairment of assets

No. of Shares Held as at December 30, 2016

Mr. Somsak Cheer Chiranakhon	-	shares (0.00%)
Mrs. Arisara Chiranakhon	-	shares (0.00%)
Minor child	-	shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

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

- N/A -

Director of Other Non - Listed Company

2000 - Present	Managing Director Wrebbbit 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

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

The Meeting Attendance / Meeting Held (Frequency)

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



Director

Mr. Sutee Jintananarumit

Position Independent Director and Member of The Audit Committee

Age 72 years

Education Background

- BA in Architecture, Chulalongkorn University

Training Course(s)

Thai Institute of Directors Association

- Directors Certification Program (DCP#108)
- Financial Statement for Director # 3/2008

Training Course(s) 2016

KPMG

- Assessing Board Effectiveness
- Stay on course : Impairment of assets

No. of Shares Held as at December 30, 2016

Mr. Sutee Jintananarumit	- shares (0.00%)
Mrs. Fuengfa Jintananarumit	- shares (0.00%)
Minor child	- shares (0.00%)

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.
2006 - 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

8 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
Extraordinary General Meeting of Shareholders	1/1



Director



Dr. Santhaya Kittikowit

Position Independent Director and Member of The Audit Committee

Age 46 years

Education Background

- 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# 107/2014)

Training Course(s) 2016

KPMG

- Assessing Board Effectiveness
- New auditor's report - Opportunity and new challenges
- Stay on course : Impairment of assets

No. of Shares Held as at December 30, 2016

Ms. Santhaya Kittikowit - shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

2013 - Present Independent Director and Member of The Audit Committee
Nation International Edutainment Plc.

Director of Other Listed Company

1998 - 1999 Senior Financial Analyst, Controller Department
Esso (Thailand) Plc.

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

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

The Meeting Attendance / Meeting Held (Frequency)

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



Management

Ms. Pimpimol Kongkreingkrai

Position Editor

Age 45 years

Education Background

- Master of science in mass communication, Murray State University, KY, USA
- Bachelor of Arts in History, Silpakorn University

Training Course(s) 2016

- N/A -

No. of Shares Held as at December 30, 2016

Ms. Pimpimol Kongkreingkrai - shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

2006 - 2014 Editor Nation News Network Co., Ltd.

2014 - Present Editor Nation International Edutainment Plc.

The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders N/A



Management

Mr. Sangchai Leelanawalikhit

Position Vice President - Sales

Age 49 years

Education Background

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

Training Course(s) 2016

- N/A -

No. of Shares Held as at December 30, 2016

Mr. Sangchai Leelanawalikhit 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



Ms. Thitagan Thana-Olarn

Position Vice President - Business Development

Age 53 years

Education Background

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

Training Course(s) 2016

- N/A -

No. of Shares Held as at December 30, 2016

- 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



Ms. Boonpa Saebay

Position Assistant Vice President - Accounting & Financing

Age 44 years

Education Background

- BA Accounting, Bangkok University

Training Course(s) 2016

- Update Thai Accounting Standards (TAS) 12, Income Taxes (Revolution of 2014)
- Preparation of Cash Flow (practice)

No. of Shares Held as at December 30, 2016

Ms. Boonpa Saebay 100 shares (0.00%)

Relationship with NINE's Executive

- N/A -

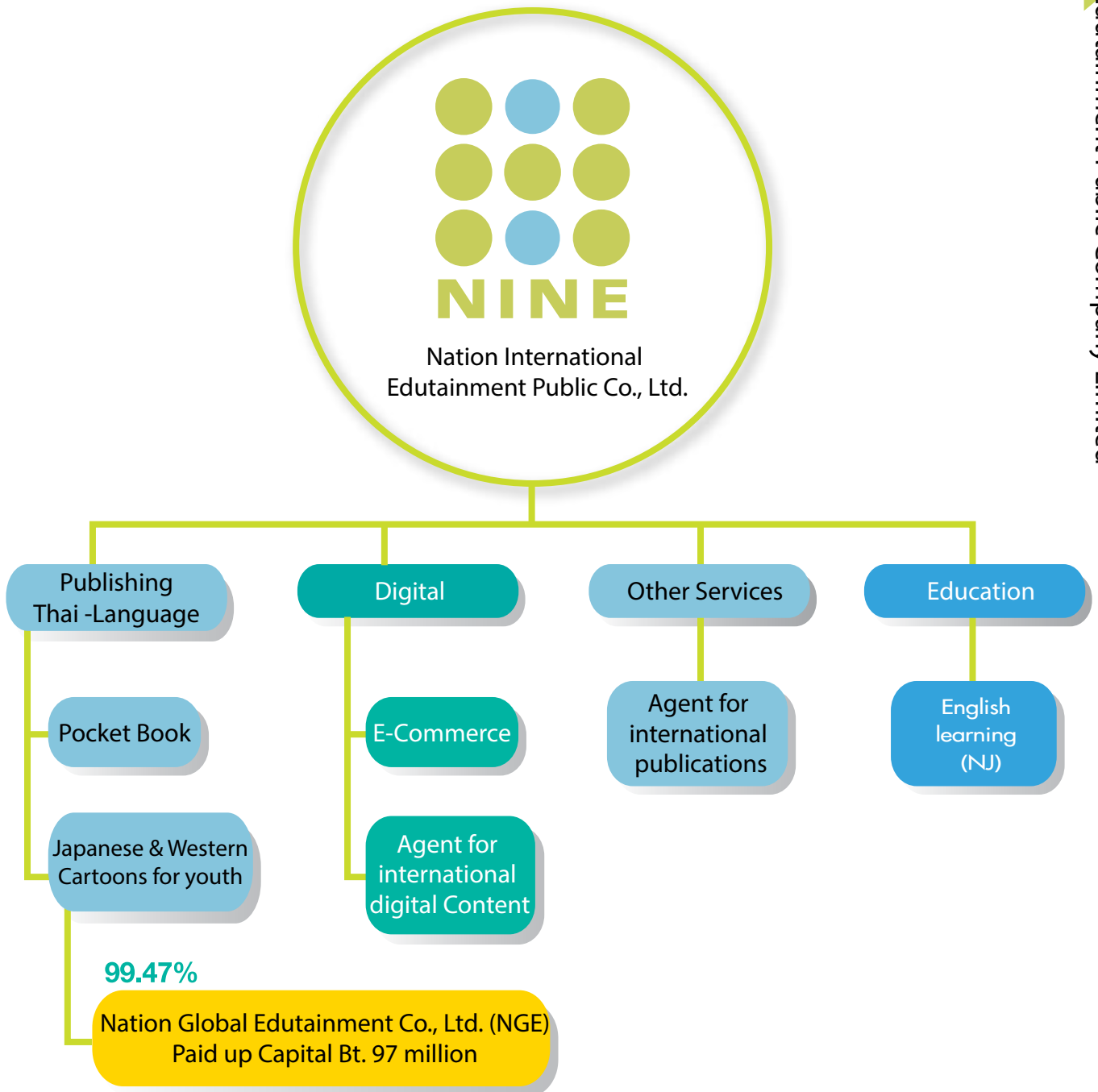
Experience

2008 - 2010	Manager Accounting Nation International Edutainment Plc.
2010 - 2015	Senior Accounting Manager Nation International Edutainment Plc.
2015 - 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:

Unit : Million Baht

Income from business group	Operated by	2016		2015		2014	
		Amount	%	Amount	%	Amount	%
1. Publishing Business							
1.1 Production and selling of pocket books	NINE	31.09	17.06	32.57	14.31	47.67	18.24
1.2 Production and selling of children printing	NGE, NINE	58.65	32.19	82.84	36.40	62.88	24.06
2. Foreign printing agent business and related services ^A	NINE	54.72	30.03	65.54	28.79	72.45	27.72
3. Digital	NINE	3.63	1.99	1.87	0.82	3.14	1.20
4. Education	NINE, NBB	8.62	4.73	8.04	3.53	13.10	5.01
5. Production of TV programs and providing advertisements	NINE, NTK	4.57	2.51	20.16	8.86	42.21	16.15
6. Other income ^B		20.93	11.49	16.60	7.29	19.91	7.62
Total income		182.21	100.00	227.62	100.00	261.36	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.

➤ Products and Services



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.

The popular books and media produced by the Nation Books Publisher include the Fantastic Returns, Recovery with Kitchen Herbs; Trend Line is Easy, 50 Outstanding Herbal Formulas, You are the Curer.

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



Book Business

Nation Books



หนังสือ
คุณภาพ



Book Business

Nation Kids

Nation Kids

Fun books for imagination

Comics and books 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.

The popular books and media produced by the Nation Kids Publisher include children's books; tales, activities to promote skills, tale coloring illustrated books, "Frozen" series, Disney Princess series; e.g. the Little Mermaid, Cinderella, Rapunzel, Disney Animation series from popular Walt Disney cartoon animation; e.g. Finding Dory, Zootopia, Sofia the First series, and new coloring books (AR Code) 3D animation with free application, Disney Color and Play!, and so on.

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





Japanese and Thai comics

Under the name of the “Nation Edutainment” Publisher, our business involves production and distribution of the printed materials for youth for education and entertainment. Our main target customers include young people under the age of 18 years. We focus on the popular comic copyrighted books and the novels licensed from leading publishers both in Thailand and Japan from the companies such as Shueisha Inc., Shogakukan Kodansha and Futabasha, Kodakawa, etc.

The comics produced by “Nation Edutainment” Publisher that have been highly popular among readers include the “One Punch Man”, the Bleach, JoJoLion, and the novels include Naruto (novel version), “Death Note-Pocket Edition” and so on.

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

Book Business

Nation Edutainment



Popular
Comics

Digital Business

Nstore



Serving
good
Products
with our
hearts

Digital Business

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, and 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.





Business as distributor of foreign publications and related services

The Nation Group operates a business as a distributor of the leading foreign publications and related services through the company itself. The publications sold by the company include a total of 236 items. They include foreign language newspapers, foreign language magazines and international online media, and serves as membership sales representative. However, the company is mostly adaptive to the modern era and the following is done through both printed materials and online channel. In addition, the company serves as advertising sale representative for the Yomiuri Shimbun, and delivers several newspapers and magazines.

Agent
international
publications
Business

International Media

Expand
your
vision to
the world



NJ MAGAZINE
www.247friend.net

**Learning
has never
beens
such
fun!**

ANNUAL REPORT
2016

English learning media

NJ Digital

English learning media has developed its format, content and online channels under the name "Hello English!", based on a survey of the needs of secondary school teachers in meeting the current need for current timely news, information and technology as well as enhance the potential of perception, and build learning new things unceasingly for the youth in accordance with the public policy that focuses on and raises the standard of English language skills for young people in 2016 in achieving the optimal goals and the educational benefits, thereby resulted in learning "Hello English" in the high schools or equivalent across the country through the website that can be applied as learning medium in the classroom for free of charge.

NJ Special Admission

The company provides a preparation guide for admission exam. A special edition is the "NJ Special Admission 2016", comprising a series of two books in which the lessons and exams are compiled and gathered under the instruction of the leading faculties. Knowledge review covers related content for the GAT / PAT, O-NET, and 7 common subjects. This guide is to support the knowledge review and preparation to enter the university with the contribution of Sahaphat No. 19, which was held simultaneously in four regions across the country during the month of October 2016 and it has been broadcasted on broadband to more than 500 schools participants across the country, and the review of the knowledge can be done via the website throughout the year.

Website: www.njdigital.net



➤ Overview and Competition

Industrial market and Competition in Publishing Business

In 2016, it was also a year of the steady decline of publishing industry. Obviously, several magazines shut down. 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.

Regarding adult books, for examples, business, investment, health books and the famous books from abroad, the income generated from sales has been constantly. Regarding a choice of books which content is deemed fine and reliable, a book of the current interest, or a kind of the books that target the readers more remarkably in 2016 is the book of the King Reign IX, drawing the most attention of the 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 above-mentioned situation, in 2017 the company continues to pursue its performance strategies; selecting the right content in meeting the readers' needs, control of the publication that matches the expected sales, add products in coupling with young children's books as incentive to buy, increase in new channels of distribution such as online stores, advertising by the available media of the affiliates to bring forth the highest benefits; including, newspapers, magazines and social media where there are more than five million subscribers, and cooperates with the various online and offline partners to penetrate the new groups of readers, etc.

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 two 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 the digital 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 SHOP and other online channels, including marketing channels through Social Network, Google Search Engine, Affiliate Program and dynamic retargeting 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 condition and competition in the English learning media

At present, the publications have been decelerated as resulted of the consumer's consumption behavior of media, mobile technology and communication that is fast, convenient, and cheaper, thenew generation youth are more likely to receive news and information via new media; not for only entertainment content. The producers of educational content have to be adaptive in line with the ever-changing situation. Even though the publications have still been a major educational medium, including textbooks, review handbooks, pocket books, and so on, it's undeniable that media industry has never been ceased; the media producers always keep on developing the innovative dimensions for targeted readers in acquiring, researching, and widening their world vision through online media.

In addition, the development of the all-around new and information content which the editorial department considers it as strength of the Nation Group, who is a leader of the presentation of useful news and information. The company has both public and private partners as producer of educational media and is equipped with professionals.

➤ 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 publishing, particularly magazines industry was negative overall in 2016. The book business that has been fairly stagnant throughout the year has improved to some degree by the last quarter of the year. However, overall purchasing power continues to decline, resulted from the changing consumer behavior of spending time on other media increasingly. In addition, more minor book distributors shut down in the previous year, thereby resulted in the declined sales of the books of the company.

Regarding the publishing business, the company has more specific strategy to produce corresponding books to the needs of readers. The market demand has been investigated more closely, at the same time; the community of readers has been established increasingly, including seeking for the famous authors and popular books from both domestically and internationally, public relation and promotion activities have been rendered on both book stores and readers, increased networks of sales to new various channels such as other affiliated stores and on online stores other than traditional stores, as well as in the partnership with both online and offline alliances to promote products, etc.

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 the multiple channels for the convenience of the customers' shopping and in the consistency with the modern buying behavior and the individuals' lifestyle.

The Modern Trade channel is helpful to the promotion of brand image because the formats and product placement has been divided by type of products distinctively. However, in 2016, the vendors have adjusted its policies by means which the books are distributed to the book stores while the selection of distribution sales measures have been carried out in respect with the statistics of individual category's sales. Therefore, the printed books are limited the placement space to certain branches, consequently the consumers are more restricted the channels of

buying books, resulted in the decline sales overall.

Agency is a channel focusing on distributing the comic books. With the limited space of the product placement, it has no enough space for book display decoration, thereby resulted in a risk that the books are not placed in the dominant position, a loss of the sales, and a substantial risk of the return of the goods. In addition, the operation has been characterized of the traditional small-scaled family business with long years of service and no exact record of sales, resulted that the follow-up of the sales is difficult. Also, the market share has been smaller due to changing consumer behavior; shopping at the malls is more favored.

E-commerce channel is more likely to grow. It provides the consumes with a convenience in the way that the consumers will no longer waste time to travel to shop. Also it reduces the risk of the modern trade and agency distribution channels. At present, the Company distributes books through online bookstores; the Nstore.net 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 72.35 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 (Form 56-1). In 2016 and 2015, 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 56.48 and 83.65 million Baht, or accounting for 14.70% and 34.70%, 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, he 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 2016 and 2015, accounting for 2.59% and 2.64% 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 15.43% and 13.87% of cost of sales and services according to the consolidated financial statements of the Group in the year 2016 and 2015, 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 55.38% and 53.35% of total revenue of the Group in the year 2016 and 2015, 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 3-7 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 valuation of inventories

Currently, the most publications of the Group have been distributed through the distributor channel and the unsalable publications would be accepted under the the return of goods policy by the Group. This resulted in the bulking up stocks, deteriorated, damaged and obsolete stocks. Furthermore, the sales in the current year has decreased from the previous year as of December 31, 2016 and 2015, the net inventories of the Group amounted to 24.33 million Baht and 223.56 million Baht, respectively, or presenting 6.46 percent and 33.90 percent of the total assets of the Group. However, in 2016 the Group has considered the impact of the change in the shift of consumer behaviors at the Board of Directors' Meeting and it has a resolution to restructure the Group's publishing and distributing of publications by setting up a provision for inventory obsolescence in accordance with the current situation and focus on the publishing and distributing of certain profitable publications. According to the aforementioned operation's results, the Group has considered to set up a provision for inventory obsolescence for the year ended December 31, 2016 amounted to 193.48 million Baht. The allowance for obsolete items was formerly determined by the goods at 100 percent of the value of inventories aged one year and above with a complete manufacture, and the inventories aged 3 years and above, but in-production process. The allowance is set on monthly basis. The re-determination of the allowance for obsolete inventories by the deterioration is decided by the management As of December 31, 2016 and 2015, the Group's allowance for obsolete inventories amounted to 220 million Baht and 92 million Baht, respectively. In order to reduce the inventories, the Group planned to release the remaining books periodically by conducting the special discount and special promotion activities and the books fair which are held annually. Regarding a series of comic books, the new ones are sold alongside those which was ever been sold. In addition, all the comic books that were ever been sold are put in package on sales to stimulate sales. Additionally, the company has been more careful in producing the new books and control of the circulation turnover to avoid the excessive inventories, and the company has the inventory management with defining the appropriate, not excessive inventories to 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. Despites 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 digital business

3.1 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.

3.2 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.

4. Risks 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.

5. Risks affecting the investors

5.1 Impact on equity (Dilution Effect) from the exercise of "NINE-W1" warrants

In June 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, 2016, 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, 2016)

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	%

5.2 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 31 December 2016, 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, 2016)

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	%

6. Risks of the Business Group**6.1 Risk of major shareholders to influence the policy setting and management**

After the public offering of shares, currently the Nation Group holds 72.35 percent 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 3 out of 4 managing directors as representatives of the Nation.

However, to balance the management of shareholders, the company has appointed three independent committees who are the outsiders to serve on the audit of the operation and taking care of the interests of the minority shareholders.

➤ List of Major Shareholders

Name of top ten shareholders as of October 27, 2016 at closing book date:

No	Name	Shares	% Total Share
1.	Nation Multimedia Group Plc	123,028,987	72.3495
2.	Mr. chainarong sangthongarama	3,260,300	1.9173
3.	Mr. Sakunthon Jungrungreangkit	1,304,000	0.7668
4.	Mrs. Wantana Lertsakulsuk	1,219,999	0.7174
5.	Mrs. Supreda Srisupornpun	1,020,000	0.5998
6.	Mrs. Orawan Prateepichai	900,000	0.5293
7.	Mr. Vichaiya Maynon	820,000	0.4822
8.	Mr. Krisda Kuptarnond	771,700	0.4538
9.	Mr.Lan Kerdpol	700,000	0.4116
10.	Thai NVDR Co., Ltd.	666,155	0.3917
	Other	36,357,245	21.3806
	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	1,432	169,915,608	99.92
Foreign Shareholders	7	132,778	0.08
Total of Shareholders	1,439	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 May 3, 2016 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

2010 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, The evaluation of the organization of the Annual General Meeting of Shareholders of 2016, held by Thai Investors Association, Thai Listed Companies Association and the Office of the Securities and Exchange Commission rated NINE "Excellent and Exemplary"

The company scored 98.50 out of 100 total points from among total 600 listed company participants.

In 2016, 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..

Shareholders' Meeting

General Meeting and Extraordinary Meeting of Shareholders 2016

The Board of Directors has focused on the meeting of the shareholders of the company so that the shareholders are informed of the company's operating results and jointly participate in the important decisions of the company as well as inquiring the Board of Directors and Top Management the information and details regarding administration and the corporate activities. In 2016, the meeting of shareholders did not only comply with the rules and applicable laws perfectly and correctly, but also truly committed that the operation and activities are in accordance with the Good Governance and in agreement with the guidelines contained in the AGM Checklist Manual, held by the Thai Investors Association, the Thai Listed Companies Association, and the Securities and Exchange Commission.

The company's policy includes promoting and facilitating the shareholders by which the disclosure of date, time and venue of the meeting is notified in advance, including clear maps indicated in the invitation letter. In addition, the barcode technology has been adopted for registration, counting votes, and stating the meeting's resolutions.

In 2016, the company held two shareholders' meeting as follows;

1. The General Meeting of Shareholders 2016 was held on April 25, 2016 at 27th Floor, Interlink Building at 14.00 p.m. Registration started by 12.00p.m. At the meeting, there were 6 committees 31 shareholders and proxies, totaled 130,703,808 shares, representing 76.86 percent of the total number of 170,048,386 issued shares.

2. The Extraordinary General Meeting of Shareholders No. 1/2016 held on November 7, 2016 at the Conference Room, 7th Floor, the Nations University Building, Bangkok at 15.00 p.m. to appoint the new directors to replace the directors vacating office prematurely. The number of the shareholders and proxies present at the meeting was incomplete to constitute a quorum according to the Public Company Act B.E.2535, Section 103.

The company had a new appointment for the Extraordinary Meeting of Shareholders No. 1/2016 New (adjourned) on December 23, 2016 at the Conference Room, 7th Floor, the Nations University Building at 13.30 p.m. Registration started by 12.30 p.m. There were 37 shareholders and proxies present at the meeting, totaled 123,280,928 shares, representing 72.50 percent of the total number of 170,048,386 issued shares.

The meeting was conducted in accordance with the good practices on shareholders' meeting and in accordance with the laws

Prior to the General Meeting of Shareholders and Extraordinary Meeting of Shareholders

The company has uploaded on the company's website the full detailed General Meeting of Shareholders and the Extraordinary Meeting of Shareholders as specified in the invitation letter 30 days and 7 days in advance prior to the meeting respectively. The company assigned the Thailand Securities Depository Company Limited, share registrar of the company, to deliver the shareholders the invitation letters in advance prior to the meeting. The invitation letter detailed the meeting's agenda, facts and rationale, and the Board's opinions given on each agenda completely and sufficiently for the determination of shareholders. In addition, the previous report of the General Meeting of Shareholders, annual report, and supporting documents to each agenda, statements on procedures, information about the independent directors, meeting attendance procedures, the Articles of Association regarding the shareholders' meeting, map of the venue, the power of attorney as required by the Ministry of Commerce, delivered to the shareholders no less than 21 days and 7 days in advance prior to the meeting respectively. Additionally, the details of the meeting and the agenda were advertised in the daily newspapers for 3 consecutive days prior to the meeting to notify the shareholders in advance.

The company gives the opportunity the minority shareholders to propose the agenda, nominate the directors, and submit questions in advance via the website. www.set.or.th or www.nine.co.th prior to the General Meeting of Shareholders during December 4, 2015 — January 29, 2016. No minority shareholders nominated the directors and proposed additional agenda. Prior to the

Extraordinary General Meeting of Shareholders on December 3rd and 20th, 2016, respectively, the minority shareholders nominated four directors and proposed no additional agenda.

The company reported the results regarding the shareholders exercising the right to nominate the directors and right to propose the agenda for the Annual General Meeting and Extraordinary General Meeting of Shareholders via the company's website on 10th February 2016 and on 20th December 2016.

Before the 2016 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 18, 2016 to March 31, 2016 for the Board and management to prepare data to clarify to the shareholders in the AGM but no shareholders sent in any questions.

On Annual General Meeting and Extraordinary General Meeting of Shareholders

Regarding date and time and the venue of the meeting, the company takes into account the convenience of the shareholders in their travel first. The company allows the shareholders and its proxies to register attendance at least one hour before the meeting starts. On the day of the Annual General Meeting of Shareholders, the auditors from KPMG Phoomchai Co., Ltd. and the legal advisers of the Paw and Associates Law Office Co., Ltd. are invited to join the meeting to lend an ear on comments and answer the questions enquired by the shareholders, and to monitor the vote counting. In any General Meeting of Shareholders, the company's Chairman serves as Chairman of the Meeting. On the day of the Extraordinary General Meeting of Shareholders, the legal advisers are invited to the meeting to listen to comments and to answer the questions asked by the shareholders.

Before the meeting, the company clarifies at the meeting the criteria and practices on the meeting, voting method and using the voting ballot. The chairman of the meeting provides an opportunity for shareholders to ask questions and comment within a reasonable time, coupled with the CEO and some Executive Directors report and answer the questions inquired by the shareholders. The significant questions and answers and conclusion have been recorded in the meeting's minutes.

The Company has adopted the barcode information technology to register the attendance, counting votes, and stating the resolution on each meeting's agenda. On the election of directors, the company invites the shareholders to elect directors individually. The voting method, votes counting, and meeting's resolution are recorded by scores "Agree", "Disagree", and "Abstain" in the minutes. On the election of directors, the resolution is made on individual basis. The voting ballots are used in making the resolution on each agenda for traceability purpose. The minutes and voting results on each agenda are entirely recorded.

The company proposes at the meeting to consider the remuneration of the committees at the Annual General Meeting of Shareholders to consider and approve on annual basis. The detailed

remuneration of the individual committees is compared to that of the previous year, including policies and requirements on remuneration of the committees for supporting consideration by the shareholders.

The shareholders who are unable to attend the meeting in person, the company offers a choice to authorize at least one independent director of the company as proxy, who has no interest in a matter of the consideration, to attend the meeting and to vote instead, provided that the Proxy Form (Form B) where the shareholders are able to direct their voting on each item, shall be attached with the invitation letter.

Following the Annual General Meeting and the General Extraordinary Meeting of Shareholders

The company has announced the results of votes at the General Meeting of Shareholders 2016 and the General Extraordinary Meeting of Shareholders No. 1/2016 to shareholders and the general public through the Set Community Portal system, the Stock Exchange of Thailand immediately or not later than 09.00 a.m. after the meeting, in accordance with the SET Information Disclosure Requirements.

2. Equal treatment for shareholders

The Board of Directors have reviewed the corporate governance structure on regular basis to ensure the shareholders of the company of the equal and fair treatment and to avoid any actions that may cause the difficulties, complexity or unnecessary high cost to the shareholders. In the past meeting of shareholders 2016, the company has been aware of the equal treatment of the and abide by the following guidelines to ensure that all shareholders are informed of the significant data and its right in the decision-making process, and are informed of the results of the decisions made by the company on the major events as required under the laws and regulations of the company.

- At the shareholders' meeting, the company has a policy not to proceed in a way that threatens the rights of all shareholders, and not add the additional agenda or change in the significant data without an advance prior notice to the shareholders, and not distribute the documents containing the additional important information at the shareholders' meeting abruptly, so that the shareholders shall have adequate time to examine the informative agenda prior to casting vote.
- All shareholders of the company have a voting right as to the number of shares held. Each share has one equal vote and no shares are of any special privileges.
- The shareholders who are unable to attend the meeting in person, the company offers a choice that the shareholder authorizes the independent director as proxy, who has no conflict of the interest, to attend the meeting and to vote instead. The Proxy Form can be downloaded through the website of the company.
- No related transactions are allowed between the subsidiaries and related companies or related person who is a shareholder of the company as it may cause a significant conflict of interest.

3. Roles of stakeholders

In addition to caring and protecting the rights of shareholders, the Board's policy is to care for the rights of all stakeholders; not only the matters that may cause a direct impact on the business, but also the matters the committees are of the reasonable opinion that it concerns of the social and public roles that all stakeholders should be treated by the company, based on the supposed rights and under the applicable laws. The Board considers promoting cooperation between the company and stakeholders in building the prosperities and financial stability and the sustainability of the business.

The major stakeholders of the company include employees, customers, shareholders, investors, suppliers, creditors, competitors, public and government, and communities where the operation has been established, and so on. The Board has a policy to treat each group of the stakeholders based on the supposed right rights of all stakeholders and under the applicable laws or under the agreement made with the company. The company encourages the stakeholders to enhance the performance of the company to achieve the sustainable business. Additionally, a full and complete disclosure of relevant information is made adequately and timely to the shareholders, and it has been established by the Board of Directors as the Code of Business Conduct with regular review. Most recently on May 3, 2016, the code of conduct has been updated with the established policy to combat the corruption, including the amended practices on complaints that are clearer. (For the Code of Business Conduct, go to www.nine.co.th).

Issue on Corporate Governance on the SEC's notification of the three directors and executives of the Company who were deemed untrustworthy and were required to terminate their duties from October 6, 2016

The Securities and Exchange Commission (SEC) issued a notification in October 2016 specifying that three executive directors of the company at the time must vacate their positions after having been deemed untrustworthy following a legal action filed by the public prosecutor on the charge of non-compliance in their duties as prescribed by the law with respect to the 2015 Annual General Meeting of Shareholders of Nation Multimedia Group Public Company Limited. As a result, these three persons were required to terminate their duties as directors and executives of the company, effective October 6, 2016.

Nonetheless, the SEC has subsequently cancelled the previous notification and instead applied the latest Notification of the Securities and Exchange Commission Kor Jor 3/2560 concerning the characteristics of directors and executives of the company, taking effect from February 16, 2017. The latest Notification states that being deemed untrustworthy during a legal action must be the result of a lawsuit filed against them by SEC through investigative officers. The new criteria, therefore, has cleared the names of the former three directors and executives of the company comprising Mr. Pana Janviroj, Ms. Duangkamol Chotana and Mr. Sermsin Samalapa as of February 16, 2017, as the SEC has never filed a lawsuit against them through investigative officers

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 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 Ethnical 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. Corruption risk assessment is provided by the Board; the Board of Directors and Executives of the business units are required to identify the potential risks of the corruption, impact and opportunities, and measures to minimize the assessed risks as well as provides the monitoring and traceability process, and report the results to the Audit Committee and Board of Directors.
3. 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.
4. 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.
5. 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.
6. he 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.

7. 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 previous year, the company had no offenses caused by frauds.

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. Do not copy or imitate or use computer programs in the way that violates against the copyright laws, patent agreement, or code of practices, including taking the portfolio or the proprietary information of the outsiders to use or will be used within the company, and all these shall be checked if it violates the intellectual property rights of others.

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 enquires, 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 has held activities to build a goodwill relationship with all groups of the customers of the company constantly, for examples, the activities for thereader customers are provided throughout the year suitably to each age group of the customers through the various media channels; both online and offline, for instances; the Disney's copyrighted princesses coloring and drawing contest, fun quiz to win prizes on a weekly basis through the Nations Fanpage; e.g. movie tickets, and to win the prizes of the newly-released books of the affiliated Nations, rollout of the books fair, and seminars entitled "the Startup Dream" Moreover, following the seminars, the valuable content is shared on talks to the Nations 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, 2013 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 2016, 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.

In 2016, the Company provides the employees with training, representing 72 percent of a total of 69 employees. Of them, 4 percent employees are transited to the institutions or external agencies, and 96 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 2016, the Company organized the CSR activities. (For detail, see Corporate Social Responsibility, page 74, 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/Managing Director 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/Managing Director, 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 2016 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. Shareholders' structure
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/Managing Director
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/Managing Director
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

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 Company appointed Ms. Punapa Thongthaveephan as Corporate 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/Managing Director 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/Managing Director, 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 2016, the composition of the Company's Board of Directors featured seven directors — three independent directors, three director who served as an executive in NINE and its subsidiaries, and one 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 2016. 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.

Sub-Committees

The Board of Directors appoints sub-committees to be responsible for scrutiny tasks and the scope of the responsibilities is set forth in the regulations individually. At present, the company includes sub-committees of the Audit Committees and Executive Committees. For detailed role and responsibilities, see Section 2 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 and its subsidiaries in 2016 were presented to the Audit Committee and the Board for their acknowledgement in February 2017. 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/Managing Director, 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 2016, as resulted of a change in four newcomer directors; the assessment for the Board of Directors has been then exempted; only assessment for sub-committees of Audit Committees is performed. The rating is indicated as follows; 4 = strongly agree, 3 = fairly agree, 2 = agree, 1 = disagree, 0 =strongly disagree.

Assessment process begins by November 2016; the company's secretary delivers the Audit Committees the Assessment Form and the return of the completely filled-out assessment forms is deadline within January 15, 2017. The results shall be announced and informed at the Board of Directors' Meeting No. 1/2017 by the month of February 2017.

The assessment results on the structure and qualifications of the directors, meeting, roles and responsibilities of the Audit Committees were rated "fairly agree" and "strongly agree" a total of 100%

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 2016 and 2015 were as follows:

Name/Position	Remunerations 2016				Remunerations 2015			
	Remuneratio	Meeting Allowance	Others	Total	Remuneration	Meeting Allowance	Others	Total
Chairman:								
- Ms. Duangkamol Chotana	200,000.-	-	-	200,000.-	400,000.-	-	-	400,000.-
- Mr. Thepchai Sae -Yong	100,000.-	-	-	100,000.-	-	-	-	-
Non-Executive Directors:								
- Mr. Suthichai Sae-Yoon	100,000.-	-	-	100,000.-	200,000.-	-	-	200,000.-
- Mr. Sermsin Samalapa	100,000.-	-	-	100,000.-	200,000.-	-	-	200,000.-
- Ms. Nutwara Saengwarin	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	100,000.-	-	-	100,000.-	200,000.-	-	-	200,000.-
- Mr. Supoth Piansiri	50,000.-	-	-	50,000.-	-	-	-	-
- Ms. Natenapa Pusittanont	50,000.-	-	-	50,000.-	-	-	-	-
Total	1,750,000.-	-	-	1,750,000.-	2,000,000.-	-	-	2,000,000.-

Notes: General Extraordinary Meeting of Shareholders No. 1/2016 on December 23, 2015 appointed Mr. Thepchai Sae-Yong, Ms. Nutwara Saengwarin, Mr. Supoth Piansiri and Ms. Natenapa Pusittanont as director to replace Mr. Suthichai Sae-Yoon, Ms. Duangkamol Chotana, Mr. Sermsin Samalapa and Mr. Pana Janviroj. The committees' remuneration shall be in the line with annual remuneration for the year 2016 as approved by the 2016 Annual General Meeting's resolution on April 25, 2016; the committees' remuneration shall be paid on quarterly basis.

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 Chief Executive Officer 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 2016, the following directors were encouraged to join the trainings;

No	Name	Position	Training Course(s) 2016
1	Mr. Somsak Cheer Chiranakhon	Independent Director and Chairman of the Audit Committee	KPMG - Assessing Board Effectiveness - Stay on course : Impairment of assets
2	Mr. Sutee Jintananarumit	Independent Director and Member of the Audit Committee	KPMG - Assessing Board Effectiveness - Stay on course : Impairment of assets
3	Dr. Santhaya Kittikowit	Independent Director and Member of the Audit Committee	KPMG - Assessing Board Effectiveness - New auditor's report- Opportunity and new challenges - Stay on course : Impairment of assets
4	Ms. Natenapa Pusittanont	Managing Director	- Merger and Acquisition - Update TAS 12 Income Taxes (revised 2014) - Cash flows statement (Work Shop) - Draft TFRS 9, TAS 32, TFRS 7, TFRIC 16 and TFRIC19
5	Mr. Supoth Piansiri	Director	- Update Thai Accounting Standards (TAS) 12, Income Taxes (Revolution of 2014) - Preparation of Cash Flow (practice) - Understanding the TFRS9, TAS32, TFRS7, TFRIC16 and TFRIC19

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	Mr. Thepchai Sae Yong	Chairman of Executive Committee
2	Ms. Natenapa Pusittanont	Executive Director
3	Mr. Supoth Piansiri	Executive Director

Notes: Mr. Theppachai 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 Mr. Theppachai Sae-Yong as Chairman of Executive Committee and appointed Ms. Natenapa Pusittanont and Mr. Supoth Piansiri as Executive 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 Chief Executive Officer/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 TBH 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 Chief Executive Officer, 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

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 2016, 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 and 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.

In 2016, 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 2016 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 8, 2017.

And the Company's Board of Director has reported the shareholding by comparing an increase (decrease) between December 31, 2015 and December 31, 2016 as follow:-

No	Name	Number of Shares				Notes
		Dec. 31, 2016	Dec. 31, 2015	No. of shares increase (decrease) during the period (shares)	Company's holding (%) As of Dec. 31, 2016	
1	Mr. Thepchai Sae Yong	-	-	-	-	-
2	Mr. Supoth Piansiri	5,000	5,000	-	-	-
3	Ms. Nutwara Saengwarin	-	-	-	-	-
4	Ms. Natenapa Pusittanont	1,000	-	1,000	-	-
5	Mr. Somsak Cheer Chiranakhon	-	-	-	-	-
6	Mr. Sutee Jintananarumit	-	-	-	-	-
7	Dr. Santhaya Kittikowit	-	-	-	-	-
8	Ms. Pimpimol Kongkreingrai	-	-	-	-	-
9	Mr. Sangchai Leelanawalikhit	1,000	1,000	-	-	-
10	Ms. Thitagan Thana-Olarn	-	-	-	-	-
11	Ms. Boonpa Saebay	100	-	100	-	-

Notes : 1. Paid shares as of December 30, 2016 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 1,460,000.

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 2016, 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	EGM
1	Mr. Thepchai Sae Yong (Appointed as a director since December 23, 2016)	1/1	-	-	-
2	Mr. Supoth Piansiri (Appointed as a director since December 23, 2016)	1/1	-	-	-
3	Ms. Natenapa Pusittanont (Appointed as a director since December 23, 2016)	1/1	-	-	-
4	Ms. Nutwara Saengwarin (Appointed as a director since December 23, 2016)	1/1	-	-	-
5	Mr. Somsak Cheer Chiranakhon	4/5	4/4	1/1	1/1
6	Mr. Sutee Jintananarumit	5/5	4/4	1/1	1/1
7	Dr. Santhaya Kittikowit	5/5	4/4	1/1	1/1

Notes : The Board of Directors' Meeting 2016 included a total of five meetings, four meetings of the Audit Committees. Most directors as shown in this report have been appointed to replace the previous director who resigned or was suspended of duties by the notification of the SEC. The Extraordinary General Meeting of Shareholders No. 1/2016 held on December 23, 2016 had a resolution to appoint four directors (No. 1-4), thus, the attendance begins from the date of appointment.

The company has a written minutes which contains the full significant information and the minutes approved by the Board has been retained and available for directors and relevant parties for inspection.

➤ 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 2016, 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/Managing Director, 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 Committees.

➤ Social Contribution Activities in 2016

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 2016, the NINE organized and participated in the following social activities with primary aims of promoting youth learning:



Smile Library
มอบหนังสือ มอบความรู้สู่โรงเรียน

Smile Library Project 3

The “Smile Library Project 3”, 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 2016, 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, Pepsi-Cola (Thai) Trading Co.,Ltd, Yusen Logistics (Thailand) Co., Ltd., Neocosmed Co., Ltd., Khonburi Sugar PCL, Phayathai Hospital2, etc.

Book donation to the foster homes and the foundations, including;

1. Baan Tawan Mai Foster Home, Samut-prakran on March 26, 2016
2. Baan Nokkhamin Foundation Bangkok on April 30, 2016.
3. Sangtien Foundation Wat Bang sai kai Bangkok on May 28, 2016
4. Home for the Elderly, Lopburi on July 30, 2016
5. Home for the Orphan Ayutthaya on August 27, 2016.
6. Children Foundation Nakhon Pathom on October 2, 2016





NJ Spelling Bee 2016

English spelling contest for Thailand championship (The 19 NJ Spelling Bee 2016)

English proficiency does not only enhance a vision and a potential development for Thai children's progress, it is also important to today's society and economy. Since 1998, the Nation Junior, a subsidiary of the Nation International Edutainment Public Co., Ltd. (NINE), regularly held the English spelling contest for Thailand championship, or known as the "NJ Spelling Bee" with honor award bestowed by the H.R.H. Princess Maha Chakri Sirindhorn, together with a scholarship grant to study English in the United States of America for the regional championship as well as the a scholarship to study abroad for the advising teacher.

Over the past 19 years, the NJ Spelling Bee was held continuously that it has been well-recognized as the biggest English spelling contest activity in Thailand and across the Asian countries. Unit present there includes more than 20,000 participants joining the contest project. Each year the youth and teenagers are provided with the opportunity to show off their competencies in English skills on the stage, leading to broaden their global vision concerning to studying English abroad, as well as to strengthen the relationship between teachers and pupils in exchange of ideas, knowledge and experience.





The 11th Junior Dublin Literary Awards for Thailand 2016

Creative English essay contest for
Thailand championship
(Junior Dublin Literary Awards for Thailand).

The Nation Junior, in the cooperation with the Embassy of the Republic of Ireland in Thailand, held the creative English essay contest for Thailand championship 2016 for eleven years now under the topic “World with No Boundaries” to win a prize for studying and visiting the Republic of Ireland. With this activity, it is away to develop the English language potential of Thai youth, and to provide them with the opportunities to express their English skills and to prepare a readiness entering the ASEAN Economic Community (AEC). The company cooperated with its partners such as City life Chiang Mai Magazine as co-organizer at northern regional level and the Phuket Gazette Newspapers at southern regional level, thereby resulting that there are more than 1,000 works from nationwide high school students joining the contest.

Workshop for teachers “Introduction to Creative Writing”

The Nation Junior, in the cooperation with the Embassy of the Republic of Ireland, held the 11th creative English essay contest for Thailand’s youth championship (“the 11th Junior Dublin Literary Awards for Thailand”) on the topic “World with No Boundaries”. The deadline of submission is January 31, 2016.

With this activity that promotes youth’s imagination and practicing English language, it also gives the opportunity for teachers to participate in giving advices regarding how to write and improve the English essay writing skills to the youth. The teachers of the Foreign Language subject attended a 1-day workshop seminar entitled “Introduction to Creative Writing”, lectured by the Professor Ingtip Rattananangsi, lecturer of Language Institute Chulalongkorn University with free of seminar fees.



➤ Awards that Nation International Edutainment Pcl. received in 2016



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

On March 29, 2016 the company received a plaque of honor from the Publishers and Bookseller Association of Thailand (PUBAT) as a sponsor of the 44th National Book Fair and 14th International Book Fair.

On October 13, 2016 the Company received a plaque of honor from the Publishers and Bookseller Association of Thailand (PUBAT) as a sponsor of the 14th International Book Fair, which promotes reading-habit among Thai people extensively and creates a sustainable knowledge society as a crucial basis for national development.

➤ Audit Committee's Report For the Year 2016

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 2016, 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 2016, 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 and its subsidiaries, 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 2016, 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 2016, 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 Th 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 2017, 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 2017, 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 2017: Ms. Patamavan Vadhanakul, registration No. 9832; Mr. Veerachai Ratanajaratkul, registration No. 4323; Ms. Vannaporn Jongperadechanon, registration No. 4098.
- **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, 2016, 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

➤ 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 2016 represented a loss of Baht 212.70 million. Compared to the same period of 2015, the loss was Baht 18.35 million, an increase loss of 1,059%. Since the shift of consumer trends, the Group has considered the effect of such changes and continually resolving its operations including the restructuring of the publishing and distribution of publications by setting an increase in provision for inventory obsolescence in accordance with the current situation and focusing on the publishing and distributions of certain profitable publications. This included the implementation of plans to control and saved production costs by continually reducing cost such as management expenses, distribution expenses and other administrative expenses. Moreover, the business alliance for the investment is in the process of assessing the business valuation. 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 2016 decreased 24% compared to the same period of 2015. The main reasons were:

- Revenues from circulation decreased 17% with circulation revenue of pocket books decreased 26%, comic books decreased 16% and foreign publication decreased 38%. Whereas, revenue from children books increased 3%.
- Revenues from rendering of services decreased 33% with publishing, distributing and other services from foreign publications decreased 34% and revenues from advertising and production of program in Digital TV decreased 73%.

2. Costs and expenses for the year 2016 increased 60% compared to the same period of 2015. The main reasons were:

- Cost of goods sold decreased 40% in line with circulation revenue.
- Cost of rendering of services decreased 28% in line with service revenue.
- Selling and administrative expenses decreased 8% due to the decreased in sale promotion and marketing expenses.
- Loss on business restructuring increased of Baht 204.45 million due to the Group has restructured of the publishing and distribution of publications due to the shift of consumer trends. The Group has set up a provision for inventory obsolescence and written-off the licences for publication in accordance with the current situation amounted to Baht 193.48 million and Baht 10.97 million



Conclusion :

The Group reported a loss for the year 2016 was Baht 212.70 million. Compared to the same period of 2015, the loss was Baht 18.35 million.

➤ Report of the Board of Directors' Responsibilities to the Financial Reporting for the year 2016 Nation International Edutainment Public Company Limited

The Board of Directors has been aware of its duties and responsibilities as director of the listed company in regulating and ensuring of the transparency, accuracy and completeness of the established financial reporting in material appropriately to maintain the company's assets, prevent frauds and abnormal transactions and related transactions which may cause a conflict of interest, commercial transactions as normal course of business and in compliance with the generally accepted accounting standards, implement the appropriate accounting policies and practice regularly with a deliberate precaution in conducting the separate and consolidated financial statements of the company and its subsidiaries, as well as financial information as appeared in the annual report of the company.

Thus, to assure the stakeholders of the financial reporting of the company, the Board of Directors has appointed the Audit Committees; consisting of independent director whose qualification meets the requirements of the Stock Exchange of Thailand (SET) and the Notification of the Capital Market Commission, to be responsible for reviewing the financial reporting and business operation for adequate accuracy and disclosure and ensuring of the transparency, accuracy and completeness of the related transaction or transactions with the conflict of interest, the adequateness of risk management, internal control, and sufficient and effective regulation of the company, the adequateness of tracking requirements of the Stock Exchange of Thailand (SET) and the Notification of the Capital Market Commission. Audit Committee reported the Board of Directors its opinion on this matter in the report of the Audit Committee as appeared in the annual registration statement (56-1) and annual report of the company.

The Board of Directors have been of the opinion that internal control of the company as a whole was satisfactory to some degrees with a reasonable confidence to the reliability of the separate and consolidated financial statements of the company and its subsidiaries as of ended December 31, 2016, which the company's auditors have been of the opinion that the financial statements representing the financial position, operating results, and cash flow is accurate, complete, reliable and reasonable in accordance with the generally accepted accounting principles, coupled with the use of appropriate accounting policies and practices regularly and transparent and adequate disclosure in accordance with the applicable laws and relevant regulations.



(Mr. Thepchai Sae-Yong)
Chairman



(Ms. Natenapa Pusittanont)
Managing Director



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

Financial statements for the year ended
31 December 2016
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Nation International Edutainment Public Company Limited

Opinion

I have audited the 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 2016, 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.

In my opinion, the accompanying 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 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. //

Material Uncertainty Related to Going Concern

I draw attention to note 2 (e) describing the business restructuring and use of going concern basis of accounting. On 3 August 2016, the Board of Directors approved the Group's restructuring of publishing and distribution of publications in accordance with the current situation. The Group has considered to recognise loss on decline in value of inventory and written-off the licences for publications for the year ended 31 December 2016 amounted to Baht 193.48 million and Baht 10.97 million in the consolidated statement of comprehensive income, and Baht 20.83 million and Baht 3.13 million in the separate statement of comprehensive income, respectively. In addition, the Group is in the process of discussing and assessing the business valuation by business alliances for the investment. These indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Valuation of inventories	
Refer to Note 2 (e) 3 (e) and 9 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
Due to the change of tendency of media consuming resulting to the business restructuring and continually impact on the valuation of inventory, in this situation, the management involved judgement in the classification of inventories based on its distribution channel and future business plan. There is a risk that the net realisable value of inventory is lower than its cost, which the process involves a number of judgements of management. Therefore, I have determined the valuation of inventories to be a key audit matter.	My audit procedures in this area included, among others: • gaining an understanding of process of inventory classification based on its distribution channel and future business plan including the process of determination of selling price in each distribution channel and related selling expenses for the measurement of net realisable value; • gaining an understanding of internal control process relating to the inventory management and observing physical count of inventories including inspecting the inventories condition; • testing the accuracy of the age of inventory and tracing with the supporting documents; • challenging the adequacy of measurement of net realisable value by comparing the expected selling prices with subsequent documents after the year ended or price list, distribution plan and historical information including considering the estimation of selling expenses with supporting documents and historical information; and • evaluating the adequacy of the financial statements disclosures. <i>fd</i>

Impairment testing of investment in subsidiary	
Refer to Note 2 (e) 3 (f) and 11 to the separate financial statements.	
The key audit matter	How the matter was addressed in the audit
According to the change of tendency of media consumer as referred above, a subsidiary has significant net loss, deficiency of net assets and total current liabilities exceed total current assets. The impairment testing of investment in subsidiary is considered to be a key audit matter. The recoverable amount of investment is derived from discounted forecast cash flow model. This model involving judgment and the use several key assumptions, including estimates of future sales volumes, and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate). Therefore, I have determined this matter to be a key audit matter.	I evaluated the impairment consideration of management, audit procedures included, among others: • gaining an understanding of the preparation of discounted cash flow projection along with management approval; • assessing the discounted cash flow projection approved by management by evaluating the key assumptions and actual operation results and operation plans; as well as assessing the appropriateness of discount rate used by comparing to the weighted average cost of capital of an industry which the Group operates in, testing the computation of discounted cash flow projection; • evaluating the sensitivity of key assumptions used in the estimation of future cash flows, in order to evaluate the effects to the recoverable amount of cash-generating unit; and • evaluating the adequacy of the financial statements disclosures in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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. *u*

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. 



I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Patamavan Vadhanakul)
Certified Public Accountant
Registration No. 9832

KPMG Phoomchai Audit Ltd.
Bangkok
8 February 2017

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	
		2016	2015	2016	2015
(in Baht)					
Current assets					
Cash and cash equivalents	5	20,829,378	68,405,431	13,826,143	64,140,357
Current investments	6	243,520,960	250,706,534	243,261,222	250,498,935
Trade accounts receivable	7	50,341,527	47,229,499	47,271,868	44,865,242
Accrued income	4	6,055,399	6,549,981	4,685,964	3,333,049
Other receivables	8	6,556,429	5,602,350	53,699,889	43,131,295
Short-term loans to related party	4	-	-	36,000,000	3,000,000
Inventories	9	24,334,703	223,562,302	8,833,313	34,798,294
Other current assets		1,617,409	1,104,952	1,169,874	564,575
Total current assets		353,255,805	603,161,049	408,748,273	444,331,747
Non-current assets					
Restricted deposit	10	400,100	803,100	-	-
Investments in subsidiaries	11	-	-	61,409,712	61,409,712
Leasehold improvements and equipment	12	1,205,755	3,127,828	1,059,581	2,745,470
Intangible assets	13	4,202,213	21,584,260	2,065,356	7,950,940
Deferred tax assets	14	15,430,297	26,536,960	8,026,041	6,444,317
Other non-current assets		1,998,866	4,188,536	1,616,865	3,603,366
Total non-current assets		23,237,231	56,240,684	74,177,555	82,153,805
Total assets		376,493,036	659,401,733	482,925,828	526,485,552

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2016	2015	2016	2015
		<i>(in Baht)</i>			
<i>Current liabilities</i>					
Bank overdrafts	15	-	9,915,228	-	-
Trade accounts payable	16	75,571,972	122,826,397	11,454,202	26,409,671
Other payables	17	6,121,407	9,697,373	4,923,895	4,272,640
Accrued expenses	4	10,461,818	15,389,558	6,119,429	6,237,048
Income tax payable		5,232	126,226	-	126,226
Other current liabilities	18	4,938,651	5,419,236	4,363,878	4,598,738
Total current liabilities		97,099,080	163,374,018	26,861,404	41,644,323
<i>Non-current liabilities</i>					
Employee benefit obligations	19	11,352,784	8,141,528	8,435,446	4,724,598
Other non-current liabilities		902,678	852,678	105,325	105,325
Total non-current liabilities		12,255,462	8,994,206	8,540,771	4,829,923
Total liabilities		109,354,542	172,368,224	35,402,175	46,474,246
<i>Equity</i>					
Share capital	20				
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	20	272,705,895	272,705,895	272,705,895	272,705,895
Warrants	21	4,087,395	3,800,380	4,087,395	3,800,380
Retained earnings (Deficit)					
Appropriated					
Legal reserve	22	10,650,000	10,650,000	10,650,000	10,650,000
Unappropriated (Deficit)		(189,699,571)	29,648,149	(9,968,023)	22,806,645
Equity attributable to owners					
of the Company		267,792,105	486,852,810	447,523,653	480,011,306
Non-controlling interests		(653,611)	180,699	-	-
Total equity		267,138,494	487,033,509	447,523,653	480,011,306
Total liabilities and equity		376,493,036	659,401,733	482,925,828	526,485,552

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	2016	2015	2016	2015
		(in Baht)			
Income					
Revenue from sales of goods	4	100,924,419	121,434,331	30,385,694	42,840,869
Revenue from rendering of services	4	60,361,650	89,577,157	60,235,975	89,530,815
Interest income	4	8,900,102	8,548,651	9,765,284	8,723,343
Other income	4, 24	12,028,278	8,062,887	16,984,457	11,358,902
Total income		182,214,449	227,623,026	117,371,410	152,453,929
Expenses					
Cost of sales of goods and rendering of services	4	99,802,354	153,886,289	65,961,197	90,281,348
Selling expenses	4, 25	31,158,207	39,656,984	23,095,033	26,476,346
Administrative expenses	4, 26	47,972,062	46,518,973	30,537,880	27,900,091
Loss on business restructuring	2	204,445,292	-	23,968,681	-
Finance costs		868,578	1,010,337	583,300	640,375
Total expenses		384,246,493	241,072,583	144,146,091	145,298,160
Profit (loss) before income tax expense		(202,032,044)	(13,449,557)	(26,774,681)	7,155,769
Income tax (expense) benefit	29	(11,824,904)	(5,083,935)	813,590	(2,459,899)
Profit (loss) for the year		(213,856,948)	(18,533,492)	(25,961,091)	4,695,870

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 financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2016	2015	2016	2015
		<i>(in Baht)</i>			
Other comprehensive income					
<i>Item that will not be reclassified to profit or loss</i>					
Defined benefit plan actuarial losses	19	(3,230,050)	-	(3,840,669)	-
Income tax on other comprehensive income	14, 29	646,010	-	768,134	-
Other comprehensive income (loss)					
for the year, net of income tax		(2,584,040)	-	(3,072,535)	-
Total comprehensive income (loss) for the year		(216,440,988)	(18,533,492)	(29,033,626)	4,695,870
Profit (loss) attributable to					
Owners of the Company		(212,699,627)	(18,351,856)	(25,961,091)	4,695,870
Non-controlling interests		(1,157,321)	(181,636)	-	-
Profit (loss) for the year		(213,856,948)	(18,533,492)	(25,961,091)	4,695,870
Total comprehensive income (loss)					
attributable to					
Owners of the Company		(215,286,255)	(18,351,856)	(29,033,626)	4,695,870
Non-controlling interests		(1,154,733)	(181,636)	-	-
Total comprehensive income (loss) for the year		(216,440,988)	(18,533,492)	(29,033,626)	4,695,870
Earnings (loss) per share	30				
Basic earnings (loss) per share		(1.251)	(0.108)	(0.153)	0.028
Diluted earnings (loss) per share		-	-	(0.153)	0.026

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

	Note	Consolidated financial statements					
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Retained earnings	Equity attributable to owners of the Company
						(in Baht)	Non-controlling interests
							Total equity
Year ended 31 December 2015							
Balance at 1 January 2015		170,048,386	272,705,895	2,278,995	10,300,000	60,253,392	515,586,668
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Share-based payment transactions	21	-	-	1,521,385	-	-	1,521,385
Dividends to owners of the Company	31	-	-	-	-	(11,903,387)	(11,903,387)
Total contributions by and distributions to owners of the Company		-	-	1,521,385	-	(11,903,387)	(10,382,002)
Change in ownership interests in subsidiary							
Acquisition of non-controlling interests with a change in control		-	-	-	-	-	(317,506)
Total change in ownership interests in subsidiary		-	-	-	-	-	(317,506)
Total transactions with owners, recorded directly in equity		-	-	1,521,385	-	(11,903,387)	(10,382,002)
Comprehensive income (loss) for the year							
Profit or loss		-	-	-	-	(18,351,856)	(18,351,856)
Total comprehensive income (loss) for the year		-	-	-	-	(18,351,856)	(18,351,856)
Transfer to legal reserve	22	-	-	-	350,000	(350,000)	-
Balance at 31 December 2015		170,048,386	272,705,895	3,800,380	10,650,000	29,648,149	486,852,810
							180,699
							487,033,509

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 (Deficit)				Equity attributable to owners of the Company		Non-controlling interests	Total equity
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated (Deficit) (in Baht)			
Year ended 31 December 2016									
Balance at 1 January 2016		170,048,386	272,705,895	3,800,380	10,650,000	29,648,149	486,852,810	180,699	487,033,509
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Share-based payment transactions	21	-	-	287,015	-	-	287,015	-	287,015
Dividends to owners of the Company	31	-	-	-	-	(3,741,042)	(3,741,042)	-	(3,741,042)
Total contributions by and distributions to owners of the Company									
		-	-	287,015	-	(3,741,042)	(3,454,027)	-	(3,454,027)
Change in ownership interests in subsidiary									
Acquisition of non-controlling interests without a change in control		-	-	-	-	(320,423)	(320,423)	320,423	-
Total change in ownership interests in subsidiary									
		-	-	-	-	(320,423)	(320,423)	320,423	-
Total transactions with owners, recorded directly in equity									
		-	-	287,015	-	(4,061,465)	(3,774,450)	320,423	(3,454,027)
Comprehensive income (loss) for the year									
Profit or loss		-	-	-	-	(212,699,627)	(212,699,627)	(1,157,321)	(213,856,948)
Other comprehensive income (loss)		-	-	-	-	(2,586,628)	(2,586,628)	2,588	(2,584,040)
Total comprehensive income (loss) for the year									
		-	-	-	-	(215,286,255)	(215,286,255)	(1,154,733)	(216,440,988)
Balance at 31 December 2016									
		170,048,386	272,705,895	4,087,395	10,650,000	(189,699,571)	267,792,105	(653,611)	267,138,494

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	21	-	-	1,521,385	-	-	1,521,385
Dividends to owners of the Company	31	-	-	-	-	(11,903,387)	(11,903,387)
Total contributions by and distributions to owners of the Company							
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							
	22	-	-	-	350,000	(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 changes in equity

Separate financial statements							
		Retained earnings (Deficit)					
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated (Deficit)	Total Equity
	<i>Note</i>						
<i>(in Baht)</i>							
Year ended 31 December 2016							
Balance at 1 January 2016		170,048,386	272,705,895	3,800,380	10,650,000	22,806,645	480,011,306
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Share-based payment transactions	21	-	-	287,015	-	-	287,015
Dividends to owners of the Company	31	-	-	-	-	(3,741,042)	(3,741,042)
Total contributions by and distributions to owners of the Company							
		-	-	287,015	-	(3,741,042)	(3,454,027)
Total transactions with owners, recorded directly in equity							
		-	-	287,015	-	(3,741,042)	(3,454,027)
Comprehensive income (loss) for the year							
Profit or loss		-	-	-	-	(25,961,091)	(25,961,091)
Other comprehensive income (loss)		-	-	-	-	(3,072,535)	(3,072,535)
Total comprehensive income (loss) for the year							
		-	-	-	-	(29,033,626)	(29,033,626)
Balance at 31 December 2016							
		170,048,386	272,705,895	4,087,395	10,650,000	(9,968,023)	447,523,653

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	
	2016	2015	2016	2015
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(213,856,948)	(18,533,492)	(25,961,091)	4,695,870
<i>Adjustments for</i>				
Depreciation	1,225,247	1,997,675	983,484	1,347,720
Amortisation of intangible assets	10,642,896	21,502,064	3,639,529	5,938,895
Interest income	(8,900,102)	(8,548,651)	(9,765,284)	(8,723,343)
Finance costs	868,578	1,010,337	583,300	640,375
Bad and doubtful debts expense (reversal of)	1,022,757	1,305,723	41,565	(546,534)
Reversal of allowance for goods returned	(2,028,653)	(7,344,946)	(432,888)	(768,181)
Loss on decline in value of inventories	128,256,880	3,042,426	14,704,015	634,950
Loss on disposal of investment in subsidiary	-	-	-	587,387
Gain on disposal of investment in debt security	(57,959)	(13,690)	(57,959)	(13,690)
Unrealised gain on valuation adjustment of investment in debt security	(242,955)	(6)	(242,955)	(6)
(Gain) loss on disposal of equipment	(115,768)	156,208	(59,719)	158,043
Loss on written-off of intangible assets	12,353,509	-	4,520,907	-
Employee benefit obligations	434,574	1,055,928	404,928	804,063
Share-based payment transactions	287,015	1,521,385	287,015	1,521,385
Income tax expense (benefit)	11,824,904	5,083,935	(813,590)	2,459,899
	(58,286,025)	2,234,896	(12,168,743)	8,736,833
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(2,106,132)	(5,251,037)	(2,015,303)	(9,474,852)
Accrued income	494,582	20,130,123	(1,352,915)	18,405,989
Other receivables	(1,423,550)	12,300,213	(11,036,923)	3,536,835
Inventories	70,970,719	5,941,499	11,260,966	2,585,842
Other current assets	13,007	587,833	(140,648)	568,063
Restricted deposit	403,000	58,100	-	-
Other non-current assets	334,994	151,120	131,825	-
Trade accounts payable	(47,254,425)	(16,743,682)	(14,955,469)	(14,983,059)
Other payables	(1,873,417)	(86,358)	646,604	(2,712,033)
Accrued expenses	(4,927,740)	(8,601,857)	(117,619)	(4,107,538)
Other current liabilities	(480,585)	902,580	(234,860)	1,179,494
Employee benefit obligations	(766,948)	-	(766,948)	-
Other non-current liabilities	50,000	5,000	-	-
Cash generated from (used in) operating activities	(44,852,520)	11,628,430	(30,750,033)	3,735,574
Income tax paid	(718,689)	(4,823,404)	(590,877)	(4,468,359)
Withholding tax refunded	1,854,676	-	1,854,676	-
Net cash from (used in) operating activities	(43,716,533)	6,805,026	(29,486,234)	(732,785)

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	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	10,086,956	7,358,977	10,950,996	7,537,631
Short-term loans to related party	-	-	(33,000,000)	-
Current investments	105,431,100	(140,690,838)	105,483,239	(140,483,239)
Purchase of investment in debt security	(235,000,000)	(12,002,000)	(235,000,000)	(12,002,000)
Net cash inflow on disposal of investment in debt security	137,055,388	7,000,000	137,055,388	7,000,000
Purchase of equipment	(52,079)	(1,933,036)	(45,349)	(1,834,596)
Sale of equipment	104,441	474,657	47,241	470,561
Purchase of intangible assets	(7,274,058)	(8,541,765)	(2,227,352)	(1,636,489)
Net cash inflow on disposal of investment in subsidiary	-	-	-	12,613
Net cash from (used in) investing activities	10,351,748	(148,334,005)	(16,735,837)	(140,935,519)
<i>Cash flows from financing activities</i>				
Interest paid	(554,998)	(694,029)	(351,101)	(448,723)
Dividends paid to owners of the Company	(3,741,042)	(11,903,387)	(3,741,042)	(11,903,387)
Bank overdrafts	(9,915,228)	40,878	-	-
Net cash used in financing activities	(14,211,268)	(12,556,538)	(4,092,143)	(12,352,110)
Net decrease in cash and cash equivalents	(47,576,053)	(154,085,517)	(50,314,214)	(154,020,414)
Cash and cash equivalents at 1 January	68,405,431	222,490,948	64,140,357	218,160,771
Cash and cash equivalents at 31 December	20,829,378	68,405,431	13,826,143	64,140,357
<i>Non-cash transactions</i>				
Payables for purchase of equipment	-	42,849	-	42,849
Payables for purchase of intangible assets	1,913,500	3,573,200	47,500	-

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
For the year ended 31 December 2016

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Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements
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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 8 February 2017.

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 (72.35% 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 2016 and 2015 are given in note 11.

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 2016. 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 2017 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 34.

(b) Basis of measurement

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

Items

Investment in debt security
Warrants
Defined benefit liability

Measurement bases

Fair value
Fair value
Present value of the defined benefit obligation
as explained in Note 3 (l)

Nation International Edutainment Public Company Limited and its Subsidiaries
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(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 accounting policies and the 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 assumption and estimation uncertainties resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 9	Measurement of net realisable value of inventories;
Note 11	Impairment test: key assumptions underlying recoverable amounts;
Note 14	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 19	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 21	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.

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
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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 19 Employee benefit obligations;
- Note 21 Share-based payment arrangements; and
- Note 32 Financial instruments.

(e) Business restructuring and use of going concern basis of accounting

Due to the shift of consumer behaviours, the Company has considered the effects of such changes and continually resolving its operations. At the Board of Directors' meeting of the Company held on 3 August 2016, the Board of Directors approved the restructuring of the Group's publishing and distributing of publications by setting up a provision for inventory obsolescence in accordance with the current situation and focusing on the publishing and distributing of certain profitable publications. This included the implementation of plans to control and save production costs by continually reducing costs, management expenses, distribution expenses and others administrative expenses. According to the aforementioned operation's results, the Group has considered to set up a provision for inventory obsolescence and written-off the licences for publications for the year ended 31 December 2016 amounted to Baht 193.48 million and Baht 10.97 million in the consolidated statement of comprehensive income, and Baht 20.83 million and Baht 3.13 million in the separate statement of comprehensive income, respectively. In addition, the Group is in the process of discussing and assessing the business valuation by business alliances for the investment.

However, the Group's management believes that the net assets are adequate to operate as a going concern and the preparation of the financial statements on a going concern basis is appropriate. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classifications of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group is unable to continue as a going concern.

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").

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of shareholder of the acquired entities are added to the same components within Group equity.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

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.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as shareholder transactions.

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 shareholder. 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 generally 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.

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(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.

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 is 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 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.

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(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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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 improvements	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.

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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:

Computer programmes and software licences	5 years
Licence fees - books	Based on the higher amount of amortisation between a straight-line basis over three to seven 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.

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(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.

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.

When a plan is curtailed, the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises 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 shareholder, 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.

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(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.

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

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(p) 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, or items recognised directly in equity or in other comprehensive income.

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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.

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 Company 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 own shares held, 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 cash and cash equivalents, deferred tax assets, other non-current assets, other current liabilities and employee benefit obligations.

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4 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 are described in note 11. 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, 72.35% 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

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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:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sales of goods and rendering of services	10,315	10,951	9,160	9,648
Cost of sales of goods and rendering of services	12,622	13,851	12,214	12,750
Sale of equipment	794	487	737	487
Other income	1,725	217	980	18
Selling and administrative expenses	5,813	8,957	3,936	7,444
Subsidiaries				
Revenue from sales of goods and rendering of services	-	-	4	134
Cost of sales of goods and rendering of services	-	-	139	54
Interest income on loan	-	-	880	198
Other income	-	-	7,426	4,288
Selling and administrative expenses	-	-	1,362	1,489
Other related parties				
Revenue from sales of goods and rendering of services	10,623	16,453	10,621	16,004
Cost of sales of goods and rendering of services	34,612	56,645	21,263	32,440
Sale of equipment	28	-	28	-
Purchase of equipment	3	1,228	3	1,228
Other income	2,187	14	2,114	-
Selling and administrative expenses	3,429	4,197	1,350	1,459

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Wages and salaries	8,650	8,205	8,650	8,205
Defined contribution plans	636	595	636	595
Others	-	536	-	536
Total key management personnel compensation	<u>9,286</u>	<u>9,336</u>	<u>9,286</u>	<u>9,336</u>

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

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent	15,745	16,427	15,095	16,270
Subsidiary	-	-	3,645	3,671
Other related parties	12,695	9,132	12,690	8,861
	<u>28,440</u>	<u>25,559</u>	<u>31,430</u>	<u>28,802</u>
Less allowance for doubtful accounts	(67)	(67)	(67)	(67)
allowance for goods return	-	(19)	-	(19)
Net	<u>28,373</u>	<u>25,473</u>	<u>31,363</u>	<u>28,716</u>
Bad and doubtful debts expense for the year	-	-	-	-

<i>Accrued income - related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent	671	-	671	-
Other related party	435	34	435	34
Total	<u>1,106</u>	<u>34</u>	<u>1,106</u>	<u>34</u>

<i>Other receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent	2,938	112	2,123	112
Subsidiaries	-	-	48,779	39,134
Other related parties	1,966	1,666	1,882	1,637
	<u>4,904</u>	<u>1,778</u>	<u>52,784</u>	<u>40,883</u>
Less allowance for doubtful accounts	-	-	-	-
Net	<u>4,904</u>	<u>1,778</u>	<u>52,784</u>	<u>40,883</u>
Bad and doubtful debts expense for the year	-	-	-	-

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<i>Short-term loans to related party</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiary	6.35	6.59	-	-	36,000	3,000

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

<i>Short-term loans to related party</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	3,000	3,000
Increase	-	-	33,000	-
Decrease	-	-	-	-
At 31 December	-	-	36,000	3,000

<i>Trade accounts payable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent	1,398	18,598	1,340	3,634
Subsidiary	-	-	-	3,584
Other related parties	67,284	92,647	3,781	8,419
Total	68,682	111,245	5,121	15,637

<i>Other payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent	1,528	3,801	1,142	1,141
Subsidiary	-	-	1,190	995
Other related parties	165	666	30	479
Total	1,693	4,467	2,362	2,615

<i>Accrued expenses - related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent	61	195	59	187
Other related parties	684	3,015	530	712
Total	745	3,210	589	899

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Significant agreements with related parties

Short-term loans agreements

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.

On 30 June 2016, the Company entered into a memorandum of change in the short-term loan agreement with such subsidiary whereby the Company permitted to change a counter party in the promissory note from Nation Edutainment Co., Ltd. to Nation Global Edutainment Co., Ltd. with the conditions of the agreement remain unchanged.

During the year 2016, the Company entered into short-term loans agreements with a subsidiary (“Nation Global Edutainment Co., Ltd.”) amounting to Baht 33 million. The loans were the promissory notes and repayable at call. The loans bear interest rate at the average Minimum Loan Rate (average MLR) of four local financial institutions.

Other agreements

The Company and a subsidiary entered into agreements a parent company to be granted services in relation to management, operations, marketing and other services. The Company and the subsidiary committed to pay service fees as specified in the agreements.

The Company entered into agreements with a subsidiary to provide services in relation to management, operations and other services. The Company will receive service fees as specified in the agreements.

A subsidiary entered into agreements with a parent company and a related party to rent warehouses. The subsidiary committed to pay rental fees as specified in the agreements.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	53	26	15	13
Cash at banks - current accounts	224	509	191	469
Cash at banks - saving accounts	20,284	27,817	13,618	23,658
Highly liquid short-term investments	268	40,053	2	40,000
Total	20,829	68,405	13,826	64,140

Cash and cash equivalents of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

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6 Current investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Short-term deposits at financial institutions	260	125,691	-	125,483
Promissory notes	140,000	120,000	140,000	120,000
Debt security held for trading	103,261	5,016	103,261	5,016
Total	243,521	250,707	243,261	250,499

Current investments of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

As at 31 December 2016, the Company entered into a short-term loan agreements with local financial institutions amounting to Baht 140 million (2015: Baht 120 million). The loans were promissory notes and were repayable over 6 - 9 months (2015: 6 months). The loans bear interest at the rate of 4.2 - 6.0% per annum (2015: 2.0 - 4.4% per annum).

Movements during the years ended 31 December of the marketable debt security were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Trading security				
At 1 January	5,016	-	5,016	-
Purchases during the year	235,000	12,002	235,000	12,002
Sales during the year	(136,997)	(6,986)	(136,997)	(6,986)
Valuation adjustment	242	-	242	-
At 31 December	103,261	5,016	103,261	5,016

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	28,440	25,559	31,430	28,802
Other parties		31,684	32,550	16,961	17,573
Total		60,124	58,109	48,391	46,375
Less allowance for doubtful accounts		(6,307)	(5,377)	(119)	(78)
allowance for goods return		(3,475)	(5,503)	(1,000)	(1,432)
Net		50,342	47,229	47,272	44,865
Bad and doubtful debts expense for the year (reversal of)		1,023	1,306	42	(546)

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	3,066	17,382	2,850	17,022
Overdue :				
Less than 3 months	4,759	7,502	4,396	7,570
3-6 months	1,052	431	976	431
6-12 months	16,714	149	16,772	167
Over 12 months	2,849	95	6,436	3,612
	28,440	25,559	31,430	28,802
Less allowance for doubtful accounts	(67)	(67)	(67)	(67)
allowance for goods return	-	(19)	-	(19)
	28,373	25,473	31,363	28,716
Other parties				
Within credit terms	19,770	21,750	16,525	17,072
Overdue :				
Less than 3 months	5,339	5,450	320	450
3-6 months	188	31	44	31
6-12 months	294	20	41	20
Over 12 months	6,093	5,299	31	-
	31,684	32,550	16,961	17,573
Less allowance for doubtful accounts	(6,240)	(5,310)	(52)	(11)
allowance for goods return	(3,475)	(5,484)	(1,000)	(1,413)
	21,969	21,756	15,909	16,149
Net	50,342	47,229	47,272	44,865

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 2016 and 2015 were denominated entirely in Thai Baht.

8 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	4,904	1,778	52,784	40,883
Other parties					
Other receivables		2	100	2	100
Prepaid expenses		1,365	1,886	697	489
Advances to employees		283	648	217	473
Accrued interest		2	1,190	-	1,186
		1,652	3,824	916	2,248
Total		6,556	5,602	53,700	43,131

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Finished goods	24,335	222,906	8,833	34,142
Work in progress	-	656	-	656
Total	24,335	223,562	8,833	34,798
Inventories recognised as an expense in ‘cost of sales of goods and rendering of services’:				
- Cost of sales of goods and rendering of services	89,243	133,786	61,032	86,681
- Write-down to net realisable value	10,559	20,100	4,929	3,600
Net Total	99,802	153,886	65,961	90,281

As described in note 2 (e) to the financial statements, at the Board of Directors’ meeting of the Company held on 3 August 2016, the Board of Directors approved the restructuring of the Group’s publishing and distributing of publications by setting up a provision for inventory obsolescence for the year ended 31 December 2016 amounted to Baht 193.48 million and Baht 20.83 million in the consolidated and separate statements of comprehensive income, respectively.

10 Restricted deposit

As at 31 December 2016, a fixed deposit of subsidiary of Baht 0.40 million (2015: Baht 0.80 million) has been pledged as collateral for letter of guarantees issued by a local financial institution.

11 Investments in subsidiaries

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	61,410	62,010
Disposal	-	(600)
At 31 December	61,410	61,410

The merger of subsidiaries

At the Board of Directors’ meeting of the Company held on 10 February 2016, the Board of Directors approved the merger of Nation Global Edutainment Co., Ltd. and Nation Edutainment Co., Ltd. which were the entire business transfer under the common controls for the restructuring of the Group’s business operations.

Pursuant to the terms of an entire business transfer agreement, Nation Edutainment Co., Ltd. agreed to transfer its entire assets and liabilities to Nation Global Edutainment Co., Ltd. which Nation Global Edutainment Co., Ltd. paid the compensation of Baht 47 million to Nation Edutainment Co., Ltd. at the transfer date on 30 June 2016. Thereafter, Nation Edutainment Co., Ltd. registered the liquidation with the Ministry of Commerce on 30 June 2016 and completed the liquidation on 17 October 2016.

For the year ended 31 December 2016, Nation Edutainment Co., Ltd. contributed revenue of Baht 3.74 million and loss of Baht 6.19 million to the Group’s results using equity method.

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Acquisition

At the extraordinary meeting of the shareholders of a subsidiary (“Nation Global Edutainment Co., Ltd.”) held on 1 June 2016, the shareholders of the subsidiary approved an increase in the registered share capital from Baht 50 million (divided into 50,000 ordinary shares at Baht 1,000 per share) to Baht 97 million (divided into 97,000 shares at of Baht 1,000 per share) to the shareholders of a subsidiary (“Nation Edutainment Co., Ltd”). The subsidiary has fully received the paid-up capital on 30 June 2016 and registered the increase in share capital with the Ministry of Commerce on 4 July 2016.

Disposal

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

Impairment testing

Management of the Company performed impairment test of carrying amount of investment in subsidiary. The recoverable amount was based on its value in use, determined by discounted future cash flows to be generated according to the business plan and discount rate which is calculated by weighted average cost of capital.

These assumptions were from management of the Company’s judgement and based on the past experiences and business plan, as well as the future prediction that is believed to be reasonable in the present situation. Changes in the information or new noticeable information may lead to the change in the assumptions and the discount rate for the estimation of the discounted future cash flows.

Based on the impairment test, the recoverable amount was higher than its carrying amount. Therefore, the Group did not recognise impairment loss.

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Investments in subsidiaries as at 31 December 2016 and 2015, 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		Separate financial statements				At cost - net		Dividend income	
		2016	2015	2016	2015	Cost	Impairment	2016	2015	2016	2015		
			(%)										
Nation Edutainment Co., Ltd.	Importing publishing and distributing cartoon 's books for edutainment completed	-	99.99	-	41,250	-	25,364	-	-	-	25,364	-	-
liquidation on 17 October 2016)													
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	-	-
(Registered liquidation on 27 December 2016 and in the process of liquidation)													
Nation Global Edutainment Co., Ltd.	Importing, publishing and distributing children 's books for edutainment	99.47	98.99	97,000	50,000	60,410	35,046	-	-	60,410	35,046	-	-
Total						61,410	61,410	-	-	61,410	61,410	-	-

All subsidiaries were incorporated in Thailand. None of the Company's subsidiaries are publicly listed and consequently does not have published price quotations.

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12 Leasehold improvements and equipment

	Consolidated financial statements			
	Leasehold improvements	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Total
<i>Cost</i>				
At 1 January 2015	2,926	14,058	500	17,484
Additions	-	286	1,200	1,486
Disposals / written-off	(1,335)	(5,265)	(500)	(7,100)
At 31 December 2015 and 1 January 2016	1,591	9,079	1,200	11,870
Additions	-	9	-	9
Disposals	-	(2,342)	-	(2,342)
At 31 December 2016	1,591	6,746	1,200	9,537
<i>Depreciation</i>				
At 1 January 2015	2,671	10,167	33	12,871
Depreciation charge for the year	190	1,649	158	1,997
Disposals / written-off	(1,298)	(4,737)	(91)	(6,126)
At 31 December 2015 and 1 January 2016	1,563	7,079	100	8,742
Depreciation charge for the year	28	957	240	1,225
Disposals	-	(1,636)	-	(1,636)
At 31 December 2016	1,591	6,400	340	8,331
<i>Net book value</i>				
At 1 January 2015	255	3,891	467	4,613
At 31 December 2015 and 1 January 2016	28	2,000	1,100	3,128
At 31 December 2016	-	346	860	1,206

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		Separate financial statements		
	Leasehold improvements	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Total
Cost				
At 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 and 1 January 2016	-	6,193	1,200	7,393
Additions	-	2	-	2
Disposals	-	(2,196)	-	(2,196)
At 31 December 2016	-	3,999	1,200	5,199
Depreciation				
At 1 January 2015	296	6,433	33	6,762
Depreciation charge for the year	-	1,189	158	1,347
Disposals	(296)	(3,075)	(91)	(3,462)
At 31 December 2015 and 1 January 2016	-	4,547	100	4,647
Depreciation charge for the year	-	743	240	983
Disposals	-	(1,491)	-	(1,491)
At 31 December 2016	-	3,799	340	4,139
Net book value				
At 1 January 2015	-	2,892	467	3,359
At 31 December 2015 and 1 January 2016	-	1,646	1,100	2,746
At 31 December 2016	-	200	860	1,060

The gross amount of the Group's and the Company's fully depreciated leasehold improvements and equipments that were still in use as at 31 December 2016 amounted to Baht 4.81 million and Baht 1.27 million, respectively (2015: Baht 3.77 million and Baht 0.99 million, respectively).

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13 Intangible assets

	Consolidated financial statements		
	Computer programmes and software licences	Licence fees - books <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2015	810	178,858	179,668
Additions	206	11,909	12,115
Written-off	-	(106,593)	(106,593)
At 31 December 2015 and 1 January 2016	1,016	84,174	85,190
Additions	-	5,614	5,614
Written-off	-	(69,848)	(69,848)
At 31 December 2016	1,016	19,940	20,956
<i>Amortisation</i>			
At 1 January 2015	460	148,237	148,697
Amortisation charge for the year	237	21,265	21,502
Written-off	-	(106,593)	(106,593)
At 31 December 2015 and 1 January 2016	697	62,909	63,606
Amortisation charge for the year	172	10,471	10,643
Written-off	-	(57,495)	(57,495)
At 31 December 2016	869	15,885	16,754
<i>Net book value</i>			
At 1 January 2015	350	30,621	30,971
At 31 December 2015 and 1 January 2016	319	21,265	21,584
At 31 December 2016	147	4,055	4,202

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	Separate financial statements		
	Computer programmes and software licences	Licence fees - books	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2015	-	58,124	58,124
Additions	206	1,430	1,636
Written-off	-	(22,135)	(22,135)
At 31 December 2015 and 1 January 2016	206	37,419	37,625
Additions	-	2,275	2,275
Written-off	-	(24,063)	(24,063)
At 31 December 2016	206	15,631	15,837
Amortisation			
At 1 January 2015	-	45,871	45,871
Amortisation charge for the year	18	5,920	5,938
Written-off	-	(22,135)	(22,135)
At 31 December 2015 and 1 January 2016	18	29,656	29,674
Amortisation charge for the year	41	3,599	3,640
Written-off	-	(19,542)	(19,542)
At 31 December 2016	59	13,713	13,772
Net book value			
At 1 January 2015	-	12,253	12,253
At 31 December 2015 and 1 January 2016	188	7,763	7,951
At 31 December 2016	147	1,918	2,065

14 Deferred tax

Deferred tax assets as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total	15,430	26,537	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	15,430	26,537	-	-
	Separate financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total	8,026	6,444	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	8,026	6,444	-	-

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

	At 1 January 2016	Consolidated financial statements (Charged) / Credited to:		At 31 December 2016
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable	2,176	(220)	-	1,956
Inventories	13,884	(4,784)	-	9,100
Provisions	1,628	(4)	646	2,270
Loss carry forward	8,849	(6,745)	-	2,104
Total	26,537	(11,753)	646	15,430

	At 1 January 2015	Consolidated financial statements (Charged) / Credited to:		At 31 December 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

	At 1 January 2016	Separate financial statements (Charged) / Credited to:		At 31 December 2016
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable	302	(78)	-	224
Inventories	5,197	(1,186)	-	4,011
Provisions	945	(26)	768	1,687
Loss carry forward	-	2,104	-	2,104
Total	6,444	814	768	8,026

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	At 1 January 2015	Separate financial statements (Charged) / Credited to:		At 31 December 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

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		<i>(in thousand Baht)</i>		
Inventories	30,436	-	4,127	-
Loss carry forward	23,306	5,817	-	-
Total	53,742	5,817	4,127	-

The Company recognised deferred tax assets from tax losses because management considered it probable that future taxable profits would be available against which the related deferred tax assets can be utilised.

The tax losses expire in 2018 - 2021. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

15 Interest-bearing liability

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		<i>(in thousand Baht)</i>		
Current				
Bank overdrafts				
Unsecured	-	9,915	-	-
Total current interest-bearing liability	-	9,915	-	-

As at 31 December 2016, the Group and the Company had other credit facilities with local financial institutions totalling Baht 6.0 million and Baht 5.0 million, respectively (*2015: Baht 16.01 million and Baht 5.0 million, respectively*) which guaranteed by a parent company.

As at 31 December 2016, the Group and the Company had unutilised credit facilities totalling Baht 4.93 million and Baht 4.33 million, respectively (*2015: Baht 4.60 million and Baht 4.31 million, respectively*).

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Interest-bearing liability of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

16 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	68,682	111,245	5,121	15,637
Other parties		6,890	11,581	6,333	10,773
Total		75,572	122,826	11,454	26,410

Trade accounts payable of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

17 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	1,693	4,467	2,362	2,615
Others					
Other payables		462	603	462	603
Advance received		2,053	1,042	2,052	1,042
Payables for purchase of equipment		1,913	3,585	48	13
		4,428	5,230	2,562	1,658
Total		6,121	9,697	4,924	4,273

The Group's and the Company's other payables as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

18 Other current liabilities

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Output value added tax pending		3,898	3,350	3,881	3,095
Accrued withholding tax		598	1,308	379	1,006
Others		443	761	104	498
Total		4,939	5,419	4,364	4,599

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19 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statement of financial position obligation for:				
Post-employment benefits	<u>11,353</u>	<u>8,142</u>	<u>8,436</u>	<u>4,725</u>
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	<u>748</u>	<u>1,373</u>	<u>637</u>	<u>996</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	<u>3,230</u>	<u>-</u>	<u>3,841</u>	<u>-</u>

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.

Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	8,142	6,769	4,725	3,729
Include in profit or loss:				
Current service costs	865	1,056	615	804
Interest on obligation	314	317	232	192
Curtailment gain	(431)	-	(210)	-
	<u>748</u>	<u>1,373</u>	<u>637</u>	<u>996</u>
Include in other comprehensive income:				
Actuarial losses	<u>3,230</u>	<u>-</u>	<u>3,841</u>	<u>-</u>
	<u>3,230</u>	<u>-</u>	<u>3,841</u>	<u>-</u>
Others				
Transfer in (out)	<u>(767)</u>	<u>-</u>	<u>(767)</u>	<u>-</u>
	<u>(767)</u>	<u>-</u>	<u>(767)</u>	<u>-</u>
Defined benefit obligations at 31 December	<u>11,353</u>	<u>8,142</u>	<u>8,436</u>	<u>4,725</u>

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Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Demographic assumptions	(709)	-	(576)	-
Financial assumptions	1,180	-	809	-
Experience adjustment	2,759	-	3,608	-
Total	3,230	-	3,841	-

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(%)</i>			
Discount rate	2.9	4.1	2.9	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 have been based on published statistics and mortality tables.

At 31 December 2016, the weighted-average duration of the defined benefit obligation was 15 years (2015: 18 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 2016	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(864)	1,001	(557)	643
Future salary growth (1% movement)	1,229	(1,075)	820	(723)
Mortality improvement (1% movement)	47	(52)	30	(33)

	Consolidated financial statements		Separate financial statements	
	<i>(in thousand Baht)</i>			
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)
Mortality improvement (1% movement)	45	(50)	30	(33)

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.

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20 Share capital

	Par value per share (in Baht)	2016		2015	
		Number	Amount	Number	Amount
<i>(in thousand shares / thousand Baht)</i>					
Authorised					
At 1 January					
- ordinary shares	1	259,250	259,250	259,250	259,250
At 31 December					
- ordinary shares	1	259,250	259,250	259,250	259,250
Issued and paid-up					
At 1 January					
- ordinary shares	1	170,048	170,048	170,048	170,048
At 31 December					
- ordinary shares	1	170,048	170,048	170,048	170,048

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.

21 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.

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%

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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 2016 were Baht 0.29 million and Baht 0.29 million for consolidated and separate financial statements, respectively (2015: Baht 1.52 million and Baht 1.52 million, respectively).

Movements during the year ended 31 December 2016 and 2015 of warrants were as follows:

	Consolidated financial statements / Separate financial statements			
	2016		2015	
	Number of warrant	Grant date fair value	Number of warrant	Grant date fair value
	<i>(thousand units / in thousand Baht)</i>			
At 1 January	1,387	3,800	832	2,279
Issued warrants during the year	815	1,600	678	1,664
Forfeited warrants during the year	(710)	(1,313)	(123)	(143)
At 31 December	<u>1,492</u>	<u>4,087</u>	<u>1,387</u>	<u>3,800</u>

NINE-W1

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

Unexercised warrants as at 1 January 2016	Issued warrants <i>(million units)</i>	Exercised warrants	Unexercised warrants as at 31 December 2016	Exercise price <i>(Baht / share)</i>	Expiry date
84.96	-	-	84.96	4	5 years from the grant date

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

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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 Baht 1 per share) to Baht 259.25 million (divided into 259,250,000 ordinary shares at Baht 1 per share) by issuing of not exceeding 174,250,000 ordinary shares at Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above.

22 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.

23 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 and services
- 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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Information about reportable segments:

	Publishing and services		TV Media		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>							
External revenue	154,798	187,669	4,570	20,158	1,918	3,184	161,286	211,011
Other income	17,528	15,131	1,052	23	2,348	1,458	20,928	16,612
Total revenues	172,326	202,800	5,622	20,181	4,266	4,642	182,214	227,623
Interest income	8,891	8,522	7	23	2	4	8,900	8,549
Interest expense	26	44	-	1	-	1	26	46
Depreciation and amortisation	9,232	20,823	2,481	1,986	155	690	11,868	23,499
Segment loss before income tax	(195,433)	(8,192)	(4,538)	(3,185)	(2,061)	(2,073)	(202,032)	(13,450)
Capital expenditures	5,623	13,213	-	152	-	236	5,623	13,601
Segment assets as at 31 December	323,969	597,052	25,259	24,251	3,893	3,911	353,121	625,214
Segment liabilities as at 31 December	94,309	155,895	224	3,831	2,022	3,319	96,555	163,045

The Group has reconsidered an information about reportable segments in relevant to its business restructuring according to the operation plan in note 2 (e).

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Reconciliations of reportable segment assets and liabilities

	Consolidated financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
Assets		
Total assets for reportable segments	353,121	625,214
Other unallocated amounts	23,372	34,188
Consolidated total assets	376,493	659,402
Liabilities		
Total liabilities for reportable segments	96,555	163,045
Other unallocated amounts	12,800	9,323
Consolidated total liabilities	109,355	172,368

Geographical segments

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

24 Other income

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Central services charge	3,642	1,732	11,409	6,437
Other service income	3,494	4,061	3,061	3,630
Others	4,892	2,270	2,514	1,292
Total	12,028	8,063	16,984	11,359

25 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Personnel	12,998	11,058	8,077	6,336
Marketing	12,708	21,047	10,062	13,158
Others	5,452	7,552	4,956	6,982
Total	31,158	39,657	23,095	26,476

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26 Administrative expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Personnel		12,347	14,249	7,025	8,539
Management remuneration	4	9,286	9,336	9,286	9,336
Office expenses		16,386	15,503	6,493	5,965
Bad and doubtful debts expense (reversal of)	7	1,023	1,306	42	(546)
Depreciation		1,017	1,350	775	701
Others		7,913	4,775	6,917	3,905
Total		47,972	46,519	30,538	27,900

27 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Wages and salaries		43,723	49,280	31,745	36,039
Contribution to defined contribution plan		2,801	3,105	2,084	2,335
Post-employment benefits	19	434	1,056	405	804
Share-based payment transactions	21	287	1,521	287	1,521
Voluntary resignation plan		1,386	-	370	-
Others		6,126	6,915	4,216	4,769
Total		54,757	61,877	39,107	45,468

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.

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28 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>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Changes in inventories		70,971	5,942	11,261	2,586
Paper, printing service and delivery costs		49,616	74,014	31,852	44,507
Other production expenses		10,908	18,110	8,892	13,953
License fees		13,402	25,544	5,367	7,344
Loss on decline in value of inventories (reversal of)		(65,222)	3,042	(6,131)	635
Employee benefit expenses	27	54,757	61,877	39,107	45,468
Selling expenses		17,952	27,952	14,809	19,493
Office expenses	26	16,386	15,503	6,493	5,965
Bad and doubtful debts expenses (reversal of)	7,26	1,023	1,306	42	(546)
Depreciation	12	1,225	1,997	983	1,347
Others		7,914	4,775	6,919	3,906
Total cost of sales of goods and rendering of services, selling expense and administrative expenses		178,932	240,062	119,594	144,658

29 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		72	2,067	-	2,067
Adjustment for prior year		-	(51)	-	-
		<u>72</u>	<u>2,016</u>	<u>-</u>	<u>2,067</u>
Deferred tax expense	14				
Movements in temporary differences		11,753	3,068	(814)	393
Total income tax expense		11,825	5,084	(814)	2,460

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Income tax recognised in other comprehensive income

Consolidated financial statements						
	2016			2015		
	Tax			Tax		
	(expense)			(expense)		
	benefit			benefit		
	Before	Net of	Before	Net of	Before	Net of
	tax	tax	tax	tax	tax	tax
		(in thousand Baht)				
Defined benefit plan						
actuarial losses	(3,230)	646	(2,584)	-	-	-

	Separate financial statements					
	Before tax	2016 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	2015 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial losses	(3,841)	768	(3,073)	-	-	-

Reconciliation of effective tax rate

Consolidated financial statements			
	Rate (%)	2016 <i>(in thousand Baht)</i>	2015 <i>(in thousand Baht)</i>
Loss before income tax expense		<u>(202,032)</u>	<u>(13,450)</u>
Income tax using the Thai corporation tax rate	20	(40,406)	(2,690)
Effect of different tax rates		(132)	-
Expenses not deductible for tax purposes		887	364
Expenses for tax incentives		(2)	(883)
Temporary differences for which no deferred tax assets was recognised		30,436	-
Current year losses for which no deferred tax asset was recognised		13,702	2,886
Recognition of previously unrecognised tax losses		(2)	
Over provided in prior year		-	(51)
Reversal from previously recognised deferred tax expense		7,342	5,458
Total	<u>6</u>	<u>11,825</u>	<u>5,084</u>

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	Separate financial statements			
	<i>Rate</i>	<i>2016</i>	<i>Rate</i>	<i>2015</i>
	<i>(%)</i>	<i>(in thousand Baht)</i>	<i>(%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax expense		<u>(26,775)</u>		<u>7,156</u>
Income tax using the Thai corporation tax rate	20	(5,355)	20	1,431
Expenses not deductible for tax purposes		416		636
Expenses for tax incentives		(2)		(326)
Temporary differences for which no deferred tax assets was recognised		4,127		-
Reversal from previously recognised deferred tax expense		-		719
Total	<u>3</u>	<u>(814)</u>	<u>34</u>	<u>2,460</u>

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

30 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2016 and 2015 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(212,700)</u>	<u>(18,352)</u>	<u>(25,961)</u>	<u>4,696</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>(1.251)</u>	<u>(0.108)</u>	<u>(0.153)</u>	<u>0.028</u>

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Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the years ended 31 December 2016 and 2015 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:

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht / thousand shares)</i>	
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(25,961)</u>	<u>4,696</u>
Number of ordinary shares outstanding (basic)	170,048	170,048
Effect of exercise of shares options	-	11,479
Number of ordinary shares outstanding (diluted)	<u>170,048</u>	<u>181,527</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.153)</u>	<u>0.026</u>

The Company did not present diluted loss per share due to the loss from operating results attributable to ordinary shareholders in the consolidated financial statements for the years ended 31 December 2016 and 2015.

The Company has not assumed the conversion of the warrants (NINE-W1) and the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NINE-WA) in the calculation of diluted loss per share due to the loss from operating results attributable to ordinary shareholders in the separate financial statements for the year ended 31 December 2016.

The Company has not assumed the conversion of the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NINE-WA) in the calculation of diluted earnings per share due to the exercise prices (including fair value of services to be rendered per warrant) are higher than the weighted average market prices in the separate financial statements for the year ended 31 December 2015.

31 Dividends

At the annual general meeting of the shareholders of the Company held on 25 April 2016, the shareholders approved the appropriation of dividends from the 2015 operating results of Baht 0.022 per share, amounting to Baht 3.74 million. The dividends were paid to the shareholders in May 2016.

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.

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32 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 because debt security and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from bank overdrafts (note 15).

The effective interest rates of interest-bearing financial 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>

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.

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Consolidated financial statements			
Fair value			Total		
Level 1		Level 2		Level 3	
		(in thousand Baht)			
31 December 2016					
<i>Financial assets measured at fair value</i>					
Debt security held for trading	103,261	-	103,261	-	103,261
<i>Financial assets / Financial liabilities not measured at fair value</i>					
Cash and cash equivalents	20,829				
Current investments	140,260				
Trade accounts receivables	50,342				
Accrued income	6,055				
Other receivables	4,908				
Restricted deposit	400				
Trade accounts payable	75,572				
Other payables	4,068				
Accrued expenses	10,462				
31 December 2015					
<i>Financial assets measured at fair value</i>					
Debt security held for trading	5,016	-	5,016	-	5,016

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	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 December 2015					
<i>Financial assets / Financial liabilities not measured at fair value</i>					
Cash and cash equivalents	68,405				
Current investments	245,691				
Trade accounts receivables	47,229				
Accrued income	6,550				
Other receivables	3,068				
Restricted deposit	803				
Bank overdrafts	9,915				
Trade accounts payable	122,826				
Other payables	8,655				
Accrued expenses	15,390				
		Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 December 2016					
<i>Financial assets measured at fair value</i>					
Debt security held for trading	103,261	-	103,261	-	103,261
<i>Financial assets / Financial liabilities not measured at fair value</i>					
Cash and cash equivalents	13,826				
Current investments	140,000				
Trade accounts receivables	47,272				
Accrued income	4,686				
Other receivables	52,786				
Short-term loans to related party	36,000				
Trade accounts payable	11,454				
Other payables	2,872				
Accrued expenses	6,119				

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	Carrying amount	Separate financial statements			
Fair value			Total		
Level 1		Level 2		Level 3	
(in thousand Baht)					
31 December 2015					
<i>Financial assets measured at fair value</i>					
Debt security held for trading	5,016	-	5,016	-	5,016
<i>Financial assets / Financial liabilities not measured at fair value</i>					
Cash and cash equivalents	64,140				
Current investments	245,483				
Trade accounts receivable	44,865				
Accrued income	3,333				
Other receivables	42,169				
Short-term loan to related party	3,000				
Trade accounts payable	26,410				
Other payables	3,231				
Accrued expenses	6,237				

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table show the valuation techniques used in measuring Level 2 fair values.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments in marketable unit trusts classified as trading investments	The net asset value as of the reporting date.	Not applicable	Not applicable

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33 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	5,237	5,268	2,429	2,568
After one year but within five years	-	2,429	-	2,429
Total	5,237	7,697	2,429	4,997
<i>Other commitment</i>				
Bank guarantees	1,072	1,497	672	694

- 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 a rental fee at the rate as specified in the agreement. The agreement had a period of 1 year, expiring on 31 December 2017.

34 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 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2016)	Related Party Disclosures
TAS 27 (revised 2016)	Separate Financial Statements
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment

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TFRS	Topic
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2016)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

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.

➤ Other Reference Persons

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Certified Public Accountant

- | | |
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Audit Fee

1. The audit fee of the Company and subsidiaries for the year 2016 is Bt 1,460,000
2. Non-audit fee -None-

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