

ANNUAL REPORT

2562







Nation International Edutainment Public Company Limited

333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang,
Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900

Vision

To be the leading quality and creative content provider in multiple formats and platforms in line with changing social behaviors among Thai people.

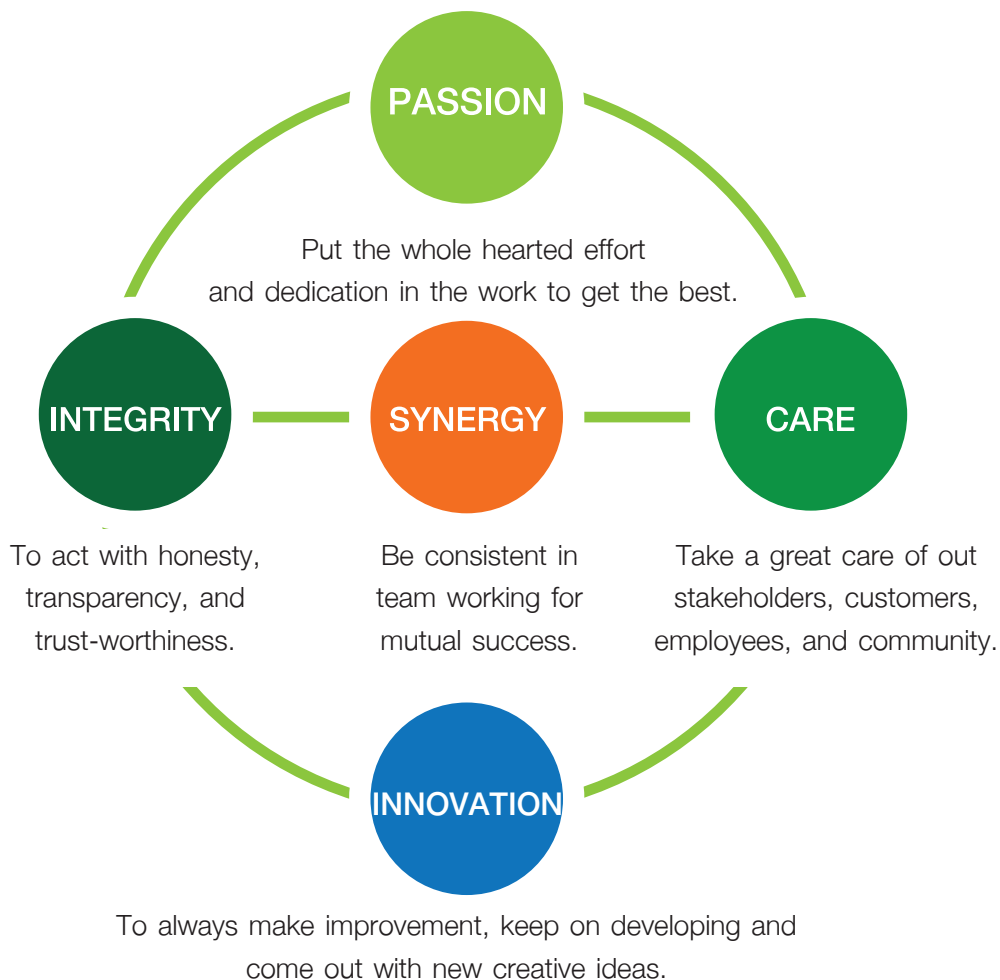
Mission

Operate a digital eco-system that propel members to community building and top off with efficient delivery of goods and services online.

The company's long term goal

To strengthen our leadership position as Thailand's top publisher of pocket books and cartoons by expand sales through multiple outlets and platforms (traditional and non-traditional, and digital). To develop relationships through various strategic and creative engagements with readers and other stakeholders to achieve their maximum satisfactions. Particularly in the digital eco-system, we aim to provide quality content to expand our social media communities. In all, the company strives to build a firm and stable financial performance with publishing products which also contribute to a better society and creative and critical mind youngsters.

Core Values



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General Information

Name	Nation International Edutainment Public Company Limited
Symbol	NINE
Core Businesses	Publishing, creating and distributing publications and digital publications, i.e. pocket books and comic books as well as conducting e-commerce business and online and office advertising media.
Head Office	333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900
Registration	PLC no. 0107551000312
Telephone	(66) 2338-3333
Fax	(66) 2338-3904
Registered Capital	Baht 390,549,286
Paid-up Capital	Baht 365,549,286

The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2018)

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Direct Subsidiaries				
Nation Global Edutainment Co., Ltd. 333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900	Publishing (Cartoon)	99.74	200,000,000	200,000,000
One World Media Co., Ltd. ¹ 333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900	Publishing (Free Sheet)	99.99	60,000,000	60,000,000
Street Eyeball Co., Ltd. ² 333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900	Publishing (Content Provider)	99.99	1,000,000	1,000,000

Note : ¹One World Media Co., Ltd Ceased commercial operations in December 2019.

²The Board of Directors' Meeting No. 10/2018 held on December 13, 2018 approved the establishment of Street eyeball Co., Ltd. with the Ministry of Commerce on January 3, 2019.

Summary of Financial Data and Investments

(Unit: in Million Baht)

1. Data from Consolidated Financial Statements		2562	2561	2560
• Sales and Service Income		56.32	80.41	137.28
• Total Revenues		65.94	94.77	158.27
• Gross Profit Margin		17.06	17.32	64.24
• Profit (loss) before income tax expense		6.19	(90.39)	11.28
• Net Profit (Loss) from continuing operations		6.71	(99.72)	7.18
• Net Profit (Loss) from discontinued operations		(105.65)	(69.23)	-
• Total Assets		318.64	449.35	321.24
• Shareholders' Equity		274.04	373.76	274.44

2. Financial Ratios		2562	2561	2560
• Total Debts to Equity	เท่า	0.16	0.20	0.17
• Gross Profit Margin	%	(36.08)	(34.56)	46.79
• Net Profit on Total Revenues	%	(123.72)	(164.48)	4.54
• Return on Equity	%	(30.55)	(52.13)	2.65
• Return on Total Assets	%	(25.77)	(43.85)	2.06
• Basic and diluted profit (loss) per share				
from continuing operations	Baht	0.02	(0.53)	0.04
• Basic and diluted profit (loss) per share				
from discontinuing operations	Baht	(0.29)	(0.37)	-
• Dividend per Share	Baht	-	-	-
• Book Value per Share basic				
and diluted	Baht	0.75	1.02	1.61



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.	200.00	99.74
One World Media Co., Ltd.	60.00	99.99
Street Eyeball Co., Ltd.	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.

Message from the Chairman

Nation International Edutainment Public Company Limited

Dear Shareholders,

The Company's two business operating models - book publishing and media advertising - demonstrated startling different outcomes in the wake of the ongoing technology disruption in 2019.

The Company crafted a number of strategies and put in place necessary infrastructures to face up to the challenges from disruptions in the book publishing industry. Initial results have started to bear fruit with improved performances in selected areas although the challenges are far from over.

Our supply chains have been revamped with the implementations of digital technology, digital personal with more direct contacts with end-consumers. The revenue from e-commerce at the end of the year went from virtually non-existence to 16% at the end of 2019. The product mixing strategy that combined premium values with popular manga titles had proved rewarding. We will continue to pursue an aggressive digital strategy to increase revenues and lower costs and expand types of manga and book series in line with readership trends.

The same could not be said of the media publishing industry where the traditional advertising market had virtually collapsed. Towards the end of the year, we had to close down One World Media Co., Ltd; which published a free sheet newspaper.

The Company will step up pursuant of complementary new businesses to invest in. They must be profitable and sustainable for the benefits of shareholders.



Pana Janviroj
Chairman



Board of Director

Mr. Pana Janviroj

Position Chairman of the Board of Director and Chief Executive Officer

Age 60 years

Education Background

- MA., Tufts University, USA

Training Course(s)

Thai Institute of Directors Association

- Directors Certification Program (DCP #71/2006)

- Anti-Corruption for Executive Program (ACEP 15/2015)

Thai Listed Companies Association, The Stock Exchange of Thailand

- Risk Management Seminar & Workshop

Training Course(s) 2019

- N/A -

No. of Shares Held as at December 30, 2019

Mr. Pana Janviroj - shares

Spouse - shares

Minor child - shares

Relationship with NINE's Executive

- N/A -

Experience

2011 - 2016 Director and Chief Executive Officer

Nation International Edutainment Plc.

Jan. 2018 - Present

Chairman of the Board of Director and Chief Executive Officer

Nation International Edutainment Plc.

Director of Other Listed Company

2012 - 2016 Director - Nation Multimedia Group Plc.

Director of Other Non - Listed Company

2018 - Present Director - Nation Global Edutainment Co., Ltd.

2018 - Present Director - One World Media Co., Ltd.

2019 - Present Director - Street Eyeball Co., Ltd.

Director of A Competing Company or A Related Business Company

-N/A-

No. of years holding the Post of the Company's Director and The Meeting Attendance in 2019

Holding the post of the Company's Director as at December 31, 2019	Meeting Attendance in 2019		
	Board of Directors	AGM	EGM
7 Years 6 Months (Appointed as a director since Apr. 4, 2011)	9/9	1/1	-



Board of Director

Mr. Voraphot Chanyakomol

**Position Director and Chief
Financial Officer**

Age 52 years

Education Background

- MBA (Finance), University of Dallas, Texas, USA.
- Bachelor of Engineering (Metallurgical Engineering), Chulalongkorn University

Training Course(s)

Thai Institute of Directors Association

- Directors Certification Program (DCP #228/2016)

Training Course(s) 2019

Thai Listed Companies Association (TLCA)

- Policy of the SEC for the development of the capital markets and supporting operations of listed companies
- “How important are intangible assets impairments?” & “How important of Employee Benefit Actuarial Valuation”

No. of Shares Held as at December 30, 2019

Mr. Voraphot Chanyakomol - shares

Relationship with NINE's Executive

-N/A-

Experience

Feb 2018 - Present Director and Chief Financial Officer
Nation International Edutainment Plc.

Director of Other Listed Company

May 2015 - Feb 2018 Director and Chief Financial Officer U City Plc.

Director of Other Non - Listed Company

2018 - Present Director - Nation Global Edutainment Co., Ltd.
2018 - Present Director - One World Media Co., Ltd.
2019 - Present Director - Street Eyeball Co., Ltd.

Director of A Competing Company or A Related Business Company

-N/A-

No. of years holding the Post of the Company's Director and The Meeting Attendance in 2019

Holding the post of the Company's Director as at December 31, 2019	Meeting Attendance in 2019		
	Board of Directors	AGM	EGM
1 Years 10 Months (Appointed as a director since Feb. 27, 2018)	9/9	1/1	-



Board of Director

Mr. Viroj Tangjetanaporn

Position Director

Age 58 years

Education Background

- Bachelor Degree of Finance, University of New South Wales, Australia

Training Course(s)

Thai Institute of Directors Association

- Certificate of Director Accreditation Program (DAP) Class of 30th, 2004
- Certificate of Audit Committee Program (ACP) Class of 4th, 2005
- Certificate of Corporate Governance for Capital Market Intermediaries (CGI) Class of 1st, 2014

Training Course(s) 2019

-N/A-

No. of Shares Held as at December 30, 2019

Mr. Viroj Tangjetanaporn	19,550,000	shares	(5.34%)
Spouse	-	shares	
Minor child	-	shares	

Relationship with NINE's Executive

-N/A-

Experience

Nov. 30, 2018 - Present	Director and Executive Director Nation International Edutainment Plc.
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Director of Other Listed Company

Mar. 2007 - present	Chairman of Audit Committee and Independent Director UOB Kay Hian Securities (Thailand) Public Company Limited
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Director of Other Non - Listed Company

Nov. 2011 - present	Director - Prop Maxx Co., Ltd
Nov. 2018 - present	Director - Nation Global Edutainment Co., Ltd
Nov. 2018 - present	Director - One world Media Co., Ltd
Jan. 2019 - present	Director - Street Eyeball Co., Ltd

Director of A Competing Company or A Related Business Company

-N/A-

No. of years holding the Post of the Company's Director and The Meeting Attendance in 2019

Holding the post of the Company's Director as at December 31, 2019	Meeting Attendance in 2019		
	Board of Directors	AGM	EGM
1 Year 1 Month (Appointed as a director since Nov. 30, 2018)	9/9	1/1	-



Board of Director

Mrs. Suparanan Tanviruch
Position Independent Director
and Chairman of The Audit
Committee
 Age 53 years

Education Background

- Master of Accounting, Thammasat University
- Bachelor of Accounting, Thammasat University

Training Course(s)

Thai listed Association

- TLCA Executive Development Program (EDP) 11/2014

Sri Pathum University

- Academy of Business Creativity (ABC) 3/2015

Thai Institution of Director

- Director Certificate Program (DCP) 216/2016

Thai IOD and Australian Institute of Company Directors (AICD)

- Directors Diploma Examination for graduated member

Navamindradhiraj University

- Executive Program in Urban Management 2/2017

Capital Market Academy

- Top Executive Program, Capital Market Academy (CMA), Class 216/2018

No. of Shares Held as at December 30, 2019

- Mrs. Suparanan Tanviruch - shares
 Spouse - shares
 Minor child - shares

Relationship with NINE's Executive

- N/A -

Experience

- Jan. 21, 2019 - Present Independent Director and Chairman of The Audit Committee
 Nation International Edutainment Plc.

Director of Other Listed Company

- Mar. 2019 - Present Independent Director and Member of The Audit Committee
 Major Development Plc.
 Apr. 2019 - Present Independent Director and Member of The Audit Committee
 Stonehenge Inter Plc.
 2016 - 2018 Chairman of Executive Board and Chief Executive Officer - Master Ad Plc.
 2008 - 2016 Chief Financial Officer - VGI Global Media Plc.

Director of Other Non - Listed Company

- 2019 - Present Chairman - Smart Bus Co., Ltd.
 2018 - Present Independent Director and Member of The Audit Committee
 Mith-Mitree Medical Co., Ltd.
 2017-2018 Director - Thai Listed Company Association

Director of A Competing Company or A Related Business Company

- N/A-

No. of years holding the Post of the Company's Director and The Meeting Attendance in 2019

Holding the post of the Company's Director As at December 31, 2019	Meeting Attendance in 2019			
	Board of Directors	AC	AGM	EGM
11 Months (Appointed as a director since Jan. 21, 2019)	8/8	4/4	1/1	-



Board of Director

Mr. Phanwarit Martmuang
Position Independent Director and
Member of The Audit Committee
 Age 47 years

Education Background

- Bachelor of Arts, Bansomdej Chaopraya Rajabhat University

Training Course(s) 2019

KPMG

- Fraud risk management – using data analytics to prevent and detect fraud
 - Intelligent Automation for Internal Audit

No. of Shares Held as at December 30, 2019

Mr. Phanwarit Martmuang - shares

Spouse - shares

Minor child - shares

Relationship with NINE's Executive

- N/A -

Experience

Feb. 2018 - Present

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

Director of Other Listed Company

2002 - 2015

Senior Creative Production & Design Manager
 VGI Global Media Plc.

Director of Other Non - Listed Company

Sep. 2016 - Present

Creative Production & Design Director
 Gold Star Group Co., Ltd.

Director of A Competing Company or A Related Business Company

-N/A-

No. of years holding the Post of the Company's Director and The Meeting Attendance in 2019

Holding the post of the Company's Director as at December 31, 2019	Meeting Attendance in 2019			
	Board of Directors	AC	AGM	EGM
1 Year 10 Months (Appointed as a director since Feb. 27, 2018)	9/9	4/4	1/1	-



Board of Director

Mr. Stephen Joseph Camilleri

**Position Independent Director and
Member of The Audit Committee**

Age 56 years

Education Background

- Master of Education Degree (Specializing in Adult and Continuing Professional Education), University of New South Wales, Sydney Australia
- Graduate Diploma in Adult Education, University of Technology, Sydney Australia
- Bachelor of Arts Degree, University of Sydney, Sydney Australia

Training Course(s) 2019

KPMG

- Fraud risk management – using data analytics to prevent and detect fraud
- Intelligent Automation for Internal Audit

No. of Shares Held as at December 30, 2019

Mr. Stephen Joseph Camilleri	- shares
Spouse	- shares
Minor child	- shares

Relationship with NINE's Executive

- N/A -

Experience

Feb. 2018 - Present	Independent Director and Member of The Audit Committee Nation International Edutainment Plc.
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Director of Other Listed Company

2016 - Jan. 2018	Vice President CEO Office - BTS Group Plc.
2011 - 2016	Vice President HR - Big C Supercenter Plc.

Director of Other Non - Listed Company

- N/A -

Director of A Competing Company or A Related Business Company

-N/A-

No. of years holding the Post of the Company's Director and The Meeting Attendance in 2019

Holding the post of the Company's Director as at December 31, 2019	Meeting Attendance in 2019			
	Board of Directors	AC	AGM	EGM
1 Year 10 Months (Appointed as a director since Feb. 27, 2018)	9/9	4/4	1/1	-



Management Team

Ms. Thitagan Thana-Olarn

Position Vice President - Business Development

Age 56 years

Education Background

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

Training Course(s) 2019

- N/A -

No. of Shares Held as at December 30, 2019

- N/A -

Relationship with NINE's Executive

- N/A -

Experience

2006 - Present	Vice President - Business Development Nation International Edutainment Plc.
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The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders 1/1



Management Team

Mrs. Tientara Deshjamroen

**Position Assistant Vice President
- Accounting & Financing**

Age 41 years

Education Background

- BA Accounting, Bangkok University

Training Course (s) 2019

- Lease Agreement and Read&write the auditor's report
- Financial statement analysis and understanding of monetary values to create added value for the business.

No. of Shares Held as at December 30, 2019

Mrs. Tientara Deshjamroen 500 shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

2018 - Jan. 2019	Senior Accounting Manager - Accounting & Financing Nation International Edutainment Plc.
Feb. 2019 - Present	Assistant Vice President - Accounting & Financing Nation International Edutainment Plc.

The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders 1/1



Management Team

**Ms. Natchanan
Charoenpathrakiat**

**Position Marketing
& Sale Senior Manager**

Age 45 years

Education Background

- B.B.A Bachelor of Business Administration, Srinakharinwirot University

Training Course (s) 2019

- N/A -

No. of Shares Held as at December 30, 2019

Ms. Natchanan Charoenpathrakiat - shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

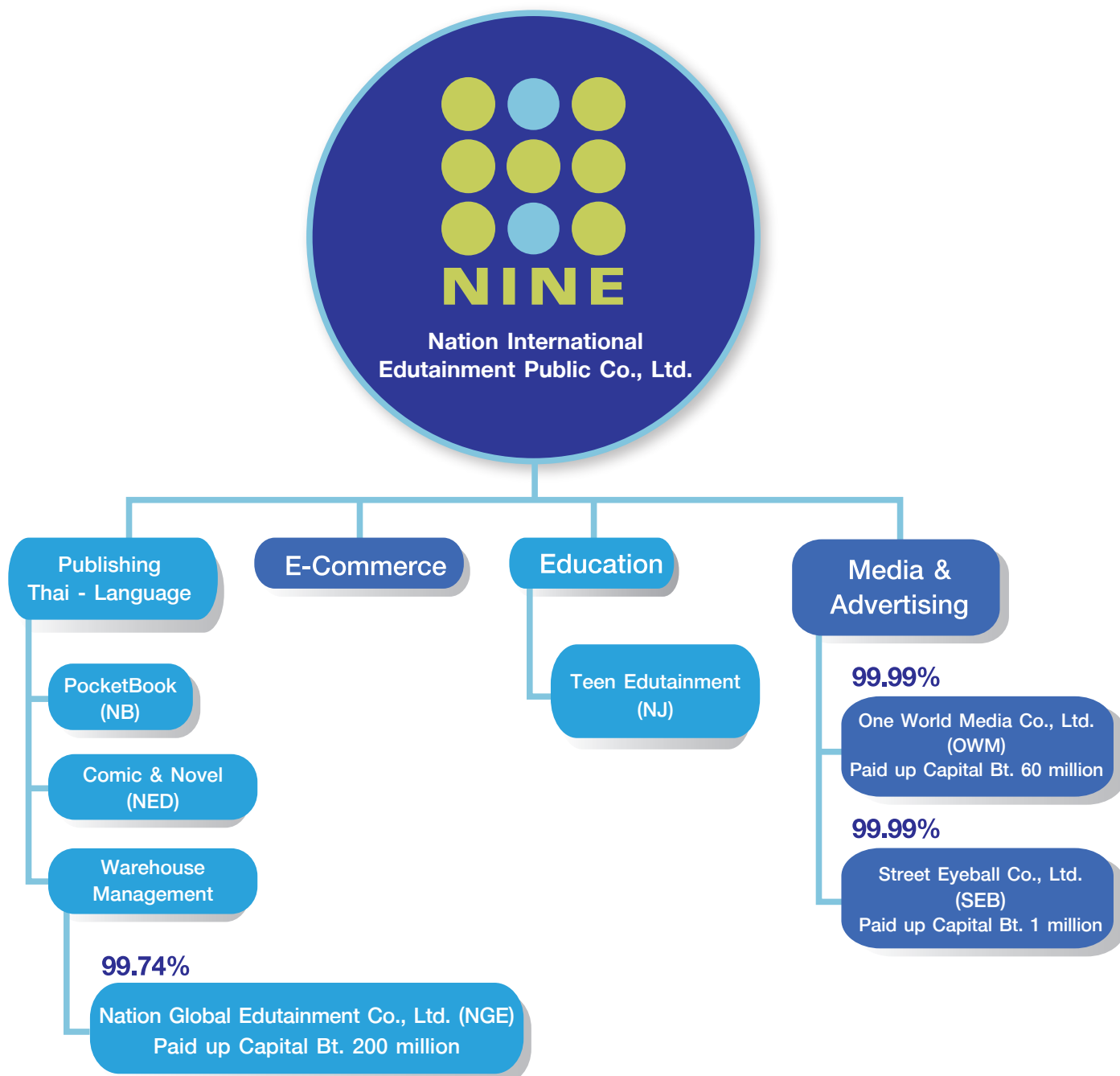
2001 - Nov. 2018	Manager - Product & Marketing TIGA Co., Ltd.
2018 - Present	Assistant Vice President - Marketing & Sale Nation International Edutainment Plc.

The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders 1/1



Business Group Structure - NINE 2019



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	2019		2018		2017	
		Amount	%	Amount	%	Amount	%
1. Publishing Business							
1.1 Production and selling of pocket books	NINE	16.86	25.57	18.13	19.13	22.93	14.49
1.2 Production and selling of children printing	NGE	27.15	41.18	29.25	30.86	53.43	33.76
	NINE	1.11	1.68	-	-	-	-
1.3 E-commerce	NINE	10.13	15.36	1.94	2.05	2.84	1.79
2. Foreign printing agent business and related services ^A	NINE	-	-	27.27	28.77	49.55	31.31
3. Education							
3.1 English learning / TV Programs and new media	NINE	-	-	1.69	1.78	6.30	3.98
3.2 English learning - E-book (NJ)	NINE	1.07	1.62	2.13	2.25	2.23	1.41
4. Other income ^B		9.62	14.59	14.36	15.15	20.99	13.26
Total income		65.94	100.00	94.77	100.00	158.27	100.00

Remark: ^A Include printing income, delivery income, and service income from selling advertisement in foreign printing agent ceased operations since September 1, 2018

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

Business Network

Book Publishing



1. Pocket Books

Published under the widely-known “Nation Books” - the unit produces and distributes quality pocket books and has earned trust and popularity by mass readers over the years. In both print and e-book formats, Nation Books have a strong presence in leading bookstores, various book fairs, and events, as well as in leading e-commerce sites including NINE’s very own www.nejavu.com. Major e-book platforms such as MEB, Ookbee and Google Play carry Nation Books’ e-book copies.

Leading categories are translated books of rights from leading international publishers in areas including biographies, management and finance, digital disruption, business strategy, how-to, personal development and tests, and health and fiction. Leading local authors are commissioned to write for Nation Books on topics of interest.

Some of the best sellers in 2019 were Ketogenic diet, the Airbnb story, The Element, and books on Warren Buffet.

Website: www.facebook.com/NationBooksFanPage





2. Japanese cartoons and fictions

Published via Nation International Edutainment Plc, and Nation Global Edutainment Co., Ltd. (“NGE”), a wholly own subsidiary, this publishing unit carries renowned exclusive Thai-language copyright titles from Japan; and has a large readers group between the ages of 12-35 years old. The quality entertainment Japanese manga titles and fictions are available in outlets nationwide as well as e-commerce including NINE’s very own www.nejavu.com. The e-book versions are available on leading platforms such as MEB, Ookbee and Google Play. Rights to Thai translated copies are obtained from leading Japanese publishers: Shueisha, Shogakukan, Kodansha, Kadokawa Shoten, and Futabasha.

In 2019, Popular titles are Naruto, Doraemon, Crayon Shin Chan, Bleach, Bakuman, Blue Exorcist, Kuruko, Platinum End, Boruto, Jo Jo Lion, Jojonium, Master Keaton, Death Note Pocket Edition, One Punch Man. Other popular titles are Blue Exorcist, Slam Drunk, Dragon Ball Super, Hunter X Hunter, etc.



Book Publishing



In addition, NGE also operates warehouse management for itself and partners. On Nov. 28, 2019, NINE signed separate partnership agreements with Dream Express Co., Ltd. (DEX) and First Page Pro Co., Ltd. (FPP) for selling and distribution of the Japanese cartoons, novels and licensed merchandise via NINE's nejavu.com's e-commerce site to maximize synergies to enhance customers' experiences in terms of quality services and entertainment value.

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





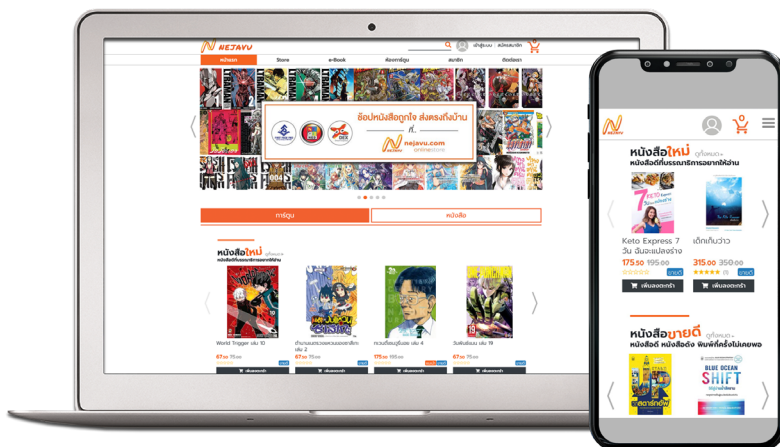
3. E-Commerce Business

Operates warehouse, sale and distribution of its products and partners via its own e-commerce www.nejavu.com. This e-commerce system is based on point of sale which can monitor its stock real-time. For the payment system, the Company appoints 2C2P to be a payment service provider. This system of 2C2P is certified and meeting the highest global security standards and accepts alternative payments over the internet. The Company also have many channels for customer services, such as Facebook Fanpage and Line@ to support its customer.

Products are categorized as

- Pocket book: Study Guide, Psychology and Self-development, Personal Biography, Travel, Fiction, Literature, Management and Finance, House and Home Decor, Philosophy and Religion, Language, Art and Design, Health and well-being, Food and Drink, Astrology, Horoscope, Feng Shui and others
- Comic: Sports, Comedy, Cooking, Investigations, Fantasy, Action-Adventure, Sci-Fi, Science, Light Novels, and more, as well as being distributed as a collection for readers who want to collect or give as a gift.

Website: www.nejavu.com, www.facebook.com/Nejavu



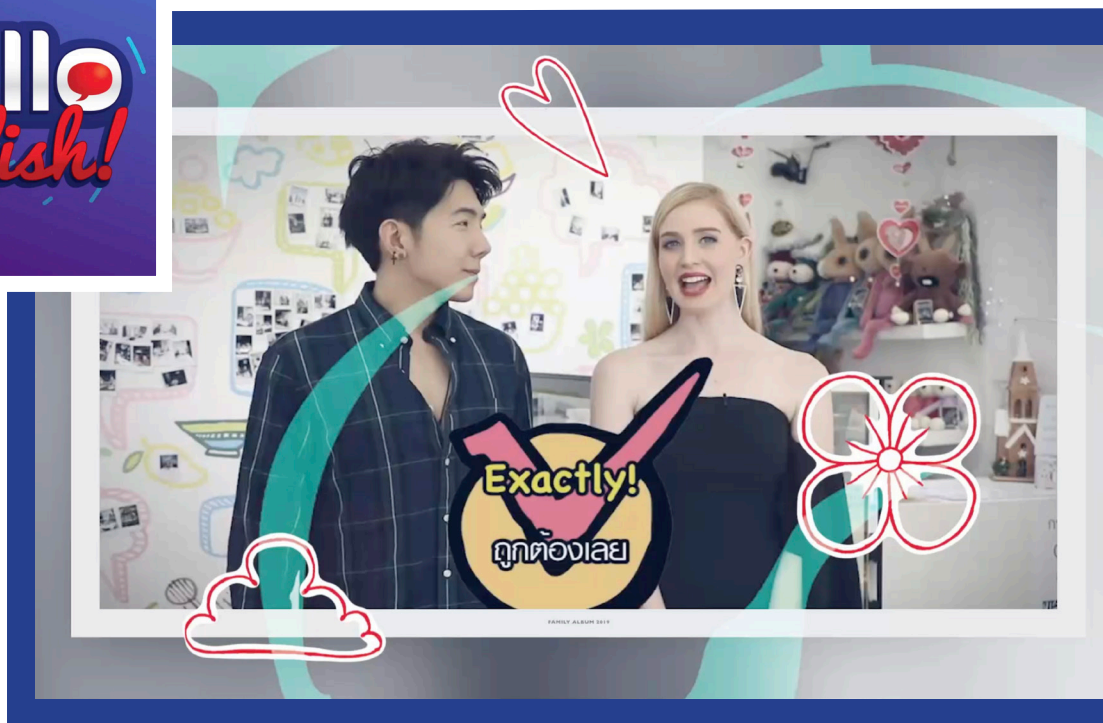
Teen Edutainment



Operates English learning media which is modern, fun, easy-to-understand and compatible with the behavior of the target group. It uses many types of digital media channels i.e. YouTube Channel and Facebook Fanpage to meet the demand for media which is timely to situations, information and current technology, increase potential to perceive information and create opportunities to learn new things continuously for youth according to government policy to focus and improve youth's English language skill.

1) Hello English

Hello English is English VDO program on YouTube channel (njdigital) and contents on Facebook page (njdigit) which focuses on English in everyday life for people of all ages, presenting in funny, easy-to-understand and applicable style.



2) NJ Admission


The Company provides a preparation guide for admission exam which is specially published as “NJ Admission 2019”. This admission book is compiled and gathered by leading instructors i.e. Enconcept, We by The Brain, OnDemand, and Traimdome. Its content covers lessons and practice tests for 8 subjects which are English, Mathematics, Thai, Social, Science, Chemistry, Physic and Biology in entering the university with Sahaphat No. 22.

Website: www.njdigital.net, www.facebook.com/njdigital,
www.youtube.com/njdigital



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[Easy English](#)
[AEC](#)
[Prep ▾](#)
[NJ Spelling Bee](#)

[Junior Dublin](#)
[Hello English on Stage!](#)
[Activity](#)
[Variety](#)



Admission Prep

ADMISSIONS PREP

Conversation

[MORE ➔](#)

Directions: Choose the best answer.

- You want to know the date your friend is leaving. You ask,
“_____”
 1. Where will you go?
 2. When are you off?
 3. When will you come back?
 4. How many days will you be away?
- You want your friend who is going abroad to telephone you. You say,
“_____”
 1. Don't forget to email me.
 2. Give me a ring as soon as you can.
 3. Drop me a line once in a while.
 4. Please drop by if you have time.
- Rose is going to board the ship “Star of Siam”. Her friend says,
“_____”
 1. Have a good flight.
 2. Enjoy your cruise.
 3. Have a nice ride.
 4. Happy landing.

Media and Advertising



Produce and provide lifestyle contents via online and offline. It operates under One World Media Co., Ltd. (“OWM”) and Street Eye Ball Co., Ltd. (“SEB”). OWM is a publisher of daily free sheets and online media called “Rabbit Today”. The print version was distributed on selected BTS, MRT stations and office building. The contents are text content and VDO content which publish on Website, Facebook, YouTube, Instagram, and Twitter. However, OWM had ceased its operation since December 1, 2019.

เว็บไซต์ : www.facebook.com/RabbitTodayOfficial,
www.youtube.com/RabbitTodayOfficial



Industry and competition

Industry and competition in the publishing business

The printing media business in 2019 has still been another year that the publishing industry has facing recessions and difficulties as resulted from the effect of the processes of change (Technology Disruption), thereby resulting in the growing amount of news information and the presentation that is faster than it ever was, as well as the changes in consumer behaviors of receiving information; the printed book reading has declined while online media using has grown up increasingly to receive news. As a result, the overall industry has been affected in term of both production cost and shipping cost that are higher, including the printing houses and bookstores that have closed down continuously.

As such a situation, the various publishers have adjusted to meet the changing circumstances and the operational direction must be determined more clearly, modified strategies for selecting the product portfolios as an element of the book, more effective distribution primarily rested on the economic factors and quality standards. It is considered a challenge for the printing media industry in the digital era where technology plays an important role. Nevertheless, some publishers have to stop publishing, even the newspapers, and magazines that have been long-lasting renowned, because they have faced the problems of accumulated loss. The examples of the newspapers and magazines that terminated its publishing in 2019 include the Post Today, The Nation, M2F, Hamburger, Weekend, and Amarin Baby & Kids, some of which discontinued the production in printed form and turn to online marketing channels and social media specifically.

However, even though the book business has been in a recession, it is considered a period of significant change in the publishing industry. Since small book stores have closed down continuously, especially the comic book stores, consequently that it is rather harder for readers to buy comic books. Even the comic book is highly-demanded with affordable price, and easier purchase decision by consumers, various publishers have developed their own distribution channels and/or have been partnership with the business partners to cover the missing distribution channels and to reduce distribution cost.

From the situation described above, in the year 2019 the Company introduced the strategies for sustainable growth and profits through the selection of books which the content meets the needs of readers, control of print sales in accordance with planned sales, launching a collection of comic books to stimulate the customers to occupy for collections, release of new additional product portfolios' to accommodate the needs of readers, newly supplementary sales channels such as growing the number of online stores, public relations and advertisement through various media to make the maximum benefits, focusing on social media channels accessed by consumers efficiently, as well as building a partnership enabling the alliances' products to be distributed on the Company's e-commerce channels.

Industry and competition in the electronic commerce

As the economy in 2019 has been still regressing, the consumers become more careful in spending as they are not confident in the incoming revenues, and avoid spending what they don't mean to, but values for money as much as possible. However, the trend of the e-commerce business in 2019 has been continuously growing and expanding into the broader sphere as it is currently been spreading. Since the e-Commerce can respond to consumers' behaviors or buying habits that demands convenience and speed, and trading and payment via the online platform are also convenient and easy, the consumers are becoming familiar and confident with the online payment system, the e-commerce, therefore, has been more famous and the value of e-commerce has been dramatically-growing. Consistent with the Electronic Transactions Development Agency (ETDA)'s report, "the e-commerce business has been growing every year, an average of 22% per year until 2022"

The electronic publishing industry in Thailand has been in the development phase. The increasing number of retail brands, publishers, and application development. The companies have invested the development and launched the e-distribution system of electronic books via application and websites. In addition, educational institutions and various organizations have given more attention to the e-Library system. Also, the Company has been aware of the business opportunities, the Company at the beginning of the year invested more in the e-commerce business to distribute all the company-owned e-books and the alliances' products through the e-commerce website, ejavu.com and distributed to the other online channels. Furthermore, the Company has established more intensive marketing through social network media, Google Search Engine, Affiliate Program, Dynamic Retargeting through mixed media online and offline in order to advertise products on the Nejavu.com, and trying to create a service culture to achieve the entrusted impression and customer assurance in the quality products and the after-sales service in the terms of product delivery, 30-day return guarantee policy, and safe and comprehensive payment systems, as well as other systems in the future for customer's brand awareness and repeated purchase. In addition, the Company this year increases the sales of e-Book to support the growth of the industry.

Industry and competition in the education business

Currently, the print media has been retrogressive due to the impact of changes and technology disruption that consumers are more likely to use digital media increasingly. According to the survey of the internet user behaviors 2018 by the Electronic Transactions Development Agency, the Ministry of Digital Economy and Society, finding that Thai people use the internet increasingly every year, up to 93.60% spent times on social media mostly. The social media mostly used by the users include Youtube, Facebook, and Line, respectively, access via mobile phones and smartphones that are convenient and fast, and the price is getting cheaper and cheaper, which it is a potential channel of receiving information by the new youth generation, not just for entertainment purpose via social media.

Thus, the educational content producers have been adjusting to the changing world of today. Although

the printing media has still served as the mainstream educational media, for instance, textbooks, knowledge-based manuals, pocketbooks, etc., it's undeniable that the printing media industry has been standing still. With awareness of these issues, the Company has developed various contents continuously, for example; the Hello English program English through the YouTube Channel, etc., to keep up with today's changing world.

In addition, the all-round news and content development editorially is considered as one of our strengths that it is not inferior to the presentation of useful news. The Company includes both public and private partners as a producer of educational media along with professional personnel.

Industry and competition in the advertising and public relations business

During the year 2019, the advertising media industry tends to recover, as to the Nielsen Media Research (Thailand) Limited's report, finding that total advertising budget in Thailand from January to November 2019 totaled 113,409 million Baht, increased by 3 percent compared to the same period of 2018; the thriving digital includes digital media and outdoor media while the print media and TV media tend to decrease. However, TV media still has the highest proportion of advertising spending by 57%, which is stable compared to last year.

In the year 2019, TV and print media have changed substantially. There are seven digital TV channels closed down, including Channel 3 Family (Channel 13), MCOT Family (Channel 14), Spring News (Channel 19), Bright TV (Channel 20), Voice TV (Channel 21), NOW channel (Channel 26) and Channel 3SD (Channel 28) that returned the licenses and stopped broadcasting from August to September 2019, and publications that declared closing down both newspapers and magazines, including Post Today, The Nation, M2F, Hamburger, Weekend and Amarin Baby & Kids, all of which turn to online media and full activities instead because they all have a loss.

Based on the above information, it indicates that media and advertising businesses have remained stable, however, the money was transferred from traditional media to digital media instead, partly due to the effect of the technology disruption arising out of the fast development of digital technology in line with changing consumer behavior, obviously evidenced from advertising budget through digital media in Thailand during the year 2019, accounting for 16 percent of the total advertising budget, or representing approximately 18,306 million baht per year, an increase of about 3 percent from the year 2018 (Source: Nielsen Media Research (Thailand) Limited and Media Agency Association of Thailand: MAAT)

Throughout the past years, the OWM has continually adapted its business operations to meet the needs of customers and to compete with competitors in the market, modifying strategies to increase revenue, reducing costs and expenses, as well as the organizational restructuring, however, it has still faced the accumulated loss like other companies in the same industry, OWM, therefore, has ceased its operations since December 2019.

Risk factors

The Nation International Edutainment PCL realizes the importance of Good Corporate Governance to maximize the benefits for the shareholders of the Company. The Company has implemented the risk management policy along together with strategic management to ensure that the company is potential to cope with the current situation as well as opportunities to conduct business from certain risks efficiently, enabling the Company to grow sustainably under the business plan and the ultimate goals of the organization under the acceptable risks. However, there are still potential risk factors affecting the Company and stakeholders that should be taken into consideration as follows.

Risk factors in the publishing business

1. Operational risk

1.1 Risks of fire, flood, and other natural disaster risks at the warehouse

A warehouse is considered one of the important factors for the Company's business operation. In 2019, the Company procured a new warehouse located at Bangna-Trad Road, Km.10. Regarding the suitability of the location, the size of the storage is appropriate, ease of transport, and safety from both the external environment and floods and the larger warehouse makes it easy to control the inventory.

Besides, if damage has occurred to the company's warehouse, caused by either from natural disasters or accidents or other uncontrollable circumstances, it inevitably may have affected the operations of the Company or subsidiaries. However, as the company in the year 2019 has restructured the organization substantially to be more agile, flexible, and better profitable, thereby resulting in the delayed and overdue preparation of non-life insurance of the company. Nevertheless, the company currently has been under the inspection of various assets and prepared the said insurance accordingly to the value of the properties, which the Company has not been inactive hereto. Also, the company has strictly taken the security measures, installing fire extinguishers to cover all areas and on storage racks, and fire training plan for employees on an annual basis. Also, the inspection and improvement in electrical equipment shall be carried out for ready-to-use regularly to minimize the unexpected risks associated with potential dangers that may occur with the warehouse.

1.2 Risk of system errors relating to online sales

In the past, the company encountered problems on inventory management and delivery of goods to the consumers, resulting in a lack of confidence among the customers, which negatively affects the company's reputation. With awareness of such impact, the Company has examined the causes, strengths, and weaknesses to be used as a guide in solving problems and improving the company's e-commerce website under the name www.nejavu.com to accommodate an expansion of e-commerce business through the Point of Sale (POS) to address the occurring system errors. With the POS, the Company can check the product volumes immediately and prevent shipping mistakes, and implement the 2C2P payment systems that meet the highest security international standards and are commonly used to receive payment for goods in ensuring consumer confidence. Also, the Company continues to develop and improve the website continues to improve the customer's highest satisfaction.

1.3 Risk of Personnel

On the comprehensive growth plan, the Company's availability always includes human resources. The Company shall have to be furnished with an adequate number of knowledgeable and skillful personnel to meet the future growth plans effectively and smoothly, including organizational restructuring, defining the departmental responsibilities, appropriate staffing, and efficient recruitment to further take complete advantage and continuous employee development to support the subsidiaries to grow steadily in the long term.

Besides, despite in the past facing the industry recession and economic crisis, resulting in that employees have encountered the higher cost of living, the senior executives of the Group have aware of the importance of human resources and carried out salary structure review. To achieve this, the Company provide employees with the cost of living and allowances, annual health check, health insurance, accident insurance, and sufficient coverage limits to strengthen employee' well-being in the line with the rising cost of living and market competitiveness.

1.4 Risk of inventory valuation

Currently, the Group's publications have been distributed through distributors primarily. The Group accepts the return of unsold publications from the dealers, thereby resulting in the large leftover of inventories, which they likely to become deteriorated, and obsolete as time passes.

The Group has implemented allowance policies for deteriorating, obsolete, excess inventories accordingly to the current situation, and focusing on producing and distributing specific profitable publications. The more than 12-month slowing-moving inventory is considered the net value to be received from the discounting sales by 50% of the inventory value. The more than 18-month excess inventory is considered the net value to be received from the package deal clearance sales. The more than 24-month obsolete inventory is considered the net value to be received from the estimated kilogram-based sales

Besides, to downsize the inventories, the Group shall have released the existing books for sales periodically at a discounted price and organized special promotion events at the national book fair and exhibition fair that is held annually. For a series of comic books, the newly-released books shall be sold along with the previously-sold ones. Also, all the previously-sold cartoon books are bundled into a package to stimulate sales. The Group raised the awareness of producing new books and the control of publishing volumes in line with the market demand and the future consumption trends for print formats to keep the appropriate amount of inventories. The Group has taken the warehouse management policy, provided that the amount of the inventory must not exceed that of the previous year.

Regarding the production of digital books with the tendency of the increasing market demand, the stock shall no longer have been left, unlike the print format, because the books are in the digital format, including income and expenses calculation that takes place only when transactions occur.

1.5 Risk of the major shareholders influencing the policymaking and subsidiary management

After the private placement (specific objective), the Silom Road Limited Group and Mr. Viroj Tangjetanaporn hold total shares of 53.48% of the paid-up capital, enabling the control of voting on all-important resolutions at the shareholders' meeting, including special resolutions required by that law or the company's articles of association that three-fourth votes of the number of attendances and voting right shall be obtained, disabling other shareholders to gather votes to oversee and balance the matters proposed by the major shareholders. However, the Company has abided by the Good Corporate Governance and the protection for minority shareholders strictly, and established measures on transactions related to the directors, major shareholders, authorized person with control over the business, and people who have conflicts, the said persons shall have not been authorized to the respective approval to keep the business operations of the company to be transparent. However, to balance the management of the major shareholders, the Company has appointed three independent external committees to oversee the operations of the management and look after the interests of the minority shareholders.

2. Risk of business

2.1 Risk of changes in media and publishing industry

Due to the ongoing recession of the media and publishing industries, especially the traditional print media that has gradually decreased in popularity, resulting in many printing business entrepreneurs currently experiencing losses and some have to shut down or adjust to the digital format instead. Therefore, the Group still faces the risk and the fierce competition in the business and the operating results that are not as expected.

While the information technology and communication development has been moving fast and more efficiently, as well as cheaper technology equipment, enabling consumers to turn to the digital devices increasingly, especially reading Japanese cartoon books which the followers are mainly children and youth who are more familiar with technology devices than other ages. Consequently, the trend of the e-Book market becomes getting more and more attention. However, the Company expects it will take time for consumers to become accustomed to reading e-books and this may have a significant impact on the print book business.

The Group has established a management policy to minimize the negative effects to enabling the management and operation efficiently, as well as the preparation in all respects such as the selection of interesting product portfolios, control of book production in the corresponding volumes to sales estimates, business restructuring, infrastructural investment, negotiation for digital book copyright and the operational strategies to accommodate the occurring changes, creating competitive advantage, as well as building consumer confidence. It is expected that the revenue from digital media sales will gradually increase and can replace the revenue from the shrinking sales of print media and comic books.

2.2 Sale & Marketing Risk

Maintaining a stable income is another factor that is important to the company's operating results, especially in the fluctuating market conditions and the economy has resulted from the imbalanced demand and supply

Therefore, the company has reduced the exposure to certain risks by choosing diversified product portfolios and determining the proportion of product sales on individual channel and category correspondingly to changing market conditions, including expanding the market base into the end-use market entry and acquiring new customers who are interested in reading electronic books and to meet the changing lifestyles of customers. The Company has collaborated with partners by selling books and related copyrighted products via the company's website to increase the varieties and to reduce shipping costs in which purchase order of the multiple items is enabled by the customer a single delivery rather than ordering through multiple websites separately.

2.3 Risks of distribution channels

The Company distributes products through various channels so that customers can buy products conveniently and in line with buying behaviors of the individuals' lifestyle. The distribution channels include as follows.

Modern trade is a distribution channel that promotes the product image because of its noticeable format and the layout arranged by product category. Since 2016, distributors have modified the policy to reduce the book distribution to the storefront and selecting the distribution volumes based on sales statistics in each category to each branch. Thus, the print books will be limited to the particular placement onto the particular branches, resulting in that it is more difficult for consumers to find books they are about to purchase; certainly, it affects the overall sales. Therefore, the company has adjusted distribution strategies by directly distributing to bookstores such as Nai In, B2S, SE-ED, Chula Book Cente, Kinokuniya Shop, and the Asia Bookstore instead of the traditional distribution. Direct distribution not only reduces the commission paid to the dealers but also enables the Company to understand the actual demand and manage the inventory and costs more efficiently.

Agency distribution channel is a channel focusing on selling comic books. With limited product layout and space is not enough for display decoration, it poses risks because the products are not positioned in a prominent place, leading to losing sales opportunities and the risk of returning a large number of books. Also, the operations are mainly characterized by small family businesses that have been operating for a long time without the exact sales recording, thereby making it difficult to keep track of sales results. Also, the market share began to decline due to consumer behavior changing to buy books at shopping malls or through e-commerce channels increasingly.

E-commerce distribution channel is an increasingly-growing channel providing convenience for customers; they don't waste time traveling to buy products, and it is a distribution channel that will help reduce risk factors of modern trade and agency distribution channels. Currently, the Company sells books via e-commerce channels through the company's site, www.nejavu.com primarily. The Company also continues to develop e-commerce business, including convenience and safety and competitiveness effectively and sustainably.

2.4 Risk of publication copyright provision

In the publishing business, the Group does not own the publication copyrights. The large portion of publications produced and distributed is derived from purchasing publication copyrights from many copyright owners, both domestic and foreign writers and publishers to further produce and distribute exclusively in Thailand. The term of copyright license is 3 - 7 years and the renewal of the contract is enabled under the same terms and conditions and the same price. However, the copyright owner is entitled to terminate the contract if the Group breaches of the contract and/or encountered financial problems and/or adjudicated to be bankrupt. Therefore, the Group may be at risk of failure of procuring the targeted copyrights for production and distribution. Besides, the Group may face the risk of the refusal of renewal of the contract or termination by the copyright owner, thereby affecting the business operations, financial status and future operating results of the Group.

However, the Group has never encountered problems on copyrights provisions from copyright owners both domestically and internationally over the past years. Because the print market is large-scale and there are different options of copyrights at the purchase, and the Group has been of a goodwill relationship with many famous writers and publishers, and continuous accomplishment of production and distribution of print media, the Group may choose and buy the desired copyrights and been entrusted by the copyright owners for copyrights license for production and distribution of the products that are likely to be highly popular. Also, since the Group strictly complies with the contract, the Company has no problems with being refused for renewal of the contract or termination by the copyright owner throughout the past years.

The group also plans to produce a variety of books. Both content copyright owners and countries to reduce dependence on copyright owner content And one country too much And also producing more original books by Thai writers Which is a kind of risk diversification In which the group of companies has developed a team that has the potential to produce content Or find creators of local content together as well

2.5 Risk of smuggling reproduction

There are some websites that present media such as cartoons illegally; causing some customers to consume the illegal media free of charge, and affecting a customer who decides to purchase the legal products. Therefore, selecting beneficial and distinctive content is important, including high-security technology and excellent service. The Group has sought unique electronic content from both domestically and internationally, as well as presentation methods that are superior to those illegal websites, and offering at an attractive price. Currently, the Group has dealt with and negotiated with the recognized leading program developers in the country for the content of books and cartoons to be produced and distributed in the digital format.

2.6 Vulnerable credibility of websites

It's currently evident that social network has played a significant role and has influenced consumers' cognition, decision, and informational perception via the internet, including social media, blogs, posts, etc. The consumers usually search for information about products and services before making a purchase

decision. Online information is an external factor that is rather difficult to control, depending on the customer satisfaction of the products and services essentially. Thus, control and maintenance on system standard as whole is required importantly to e-commerce businesses of which speed and accuracy is a heart, for examples, website system, logistics, product quality inspection, payment system, the return of good policy, after-sales service, fast and convenient contact, as well as marketing communication that requires a special care.

In the year 2019, the Company improved and developed its websites and backyard systems for more efficiency, and website design to look modern and more attractive under the name www.nejavu.com, and adopted the 2C2P's payment system, a standardized payment agent, to assure the consumer confidence of the payment system and decision-making to buy more products through the company's e-commerce channels. The Company is aware of the after-sales services and the feedback reflected by customers importantly, thereby resulting in the entrusted feeling of customers as it is an important variable for customer's repeated purchase.

3. Financial risk

3.1 Risk of credit

The company is exposed to the credit risk of trade accounts receivable. However, the company provides policy on customer's credit limits adequately, including demand and collection system regularly, credit limits review for the Company's debtors annually to ensure the appropriately-adjusted credit limits in line with current economic conditions. Since the company has implemented the credit policy carefully and reviewed an allowance for doubtful accounts appropriately, it's therefore believed that the risk of non-payment of trade accounts receivable is low.

3.2 Risk of capital management

The Company provides the procedures and approved limits for the different kinds of investments. The Company chooses to invest in the low-risk securities and under 1-year short-term investment. Therefore, the risk of capital management is low.

4. Risk of production

4.1 Risk of non-complying and late delivery

Because of the absence of own printing houses, publication, and production, therefore, are required to be undertaken by other printing houses which the control of production process could not be done by the Company closely, resulting in a risk of defectives from the production process even after inspection, as well as the delivery, is later than scheduled, which the Company shall be held liable for such damages.

Thus, to minimize the potential risks that may affect the business, four standard printing houses are chosen by the Company in hiring to produce books. If any of them does not meet the production capacity, it will be replaced by other printing houses. The editorial examination is always carried out carefully before actual publishing. Further, the different choices of printing houses are beneficial to the Company in terms of bargaining and the appropriate control of cost.

However, during the beginning of the year 2019, the company restructured its business, resulting in the delayed release of the new product portfolios and the uncertain and lesser number of books published. Consequently, the printing houses are unable to make a purchase plan actually for the kind of paper required by the Company, thereby resulting in an inadequate amount of paper, and delayed delivery of books handled to the customers, thereby affecting the reliability of the Company. After restructuring, the Company coordinated with the printing houses to discuss the advance production plan to make sure that the printing houses provide the reserves and purchase plan for the paper under the qualities prescribed by the Company appropriately as well as more competitive price negotiation.

5. Risks of advertising and public relations businesses

5.1 Risk of the overall economic slowdown of the country and political unrest

Advertising and public relations business has directly related to the advertising industry and the overall economy of the country. If the national economy is satisfactory overall, advertising and public relations budgets spent by product/service owners would be of the high level according to consumer spending, resulting in that the revenue of advertising and public relations providers increases accordingly. On the other hand, if the national economy declines or shrinks or faces the political unrest, it may negatively affect the customer confidence or purchasing power, causing that the owners of goods and services may reduce their ad budget and public relations in various channels, leading to the shrinkage of ad spending.

However, the strengths of the advertising and public relations media of the Group integrates offline and online channels that are more interesting than advertising only. Advertising offline stimulates awareness and recognition among the consumers, thereby influencing a decision to buy advertising space by the target clients of the Group. Also, the cost of advertising online is low compared to other advertising media but strongly influences consumer awareness.

5.2 Risk of unexpected return on advertising media

The Company has invested in advertising and public relations services business under the subsidiary company, One World Media Company Limited (OWM) through both online and offline channels. If such advertising media does not meet the return on investment as expected or it yields the profits less than the value of the investment, or any occurrences that prevent the Group from providing such services, the Company may consider about the allowance for asset depreciation, of course, this affects the financial status and the operating results of the Group.

Over the past years, the OWM has continually adapted its business operations to meet the needs of customers and to compete with competitors in the market, and adjusting strategies to increase revenue and to reduce the costs and expenses, as well as the organizational, restructure, however, the Company has still faced the accumulated loss like other firms in the same industry, the OWM decided to cease its operations since December 2019.

List of Major Shareholders

Name of top ten shareholders as of December 30, 2019 at closing book dated:

No.	Name	Shares	% Total Share
1.	Silom Road Limited	175,950,000	48.133
2.	Mr. Wanchai Pienvichien	78,361,100	21.437
3.	Thai NVDR Co., Ltd.	27,193,610	7.439
4.	Mr. Viroj Tangjetanaporn	19,550,000	5.348
5.	Mr. Anurit Kerdsinchai	17,350,000	4.746
6.	Mr. Thanakarn Dumrongrat	12,948,387	3.542
7.	Mr. Sombat Panichewa	6,000,000	1.641
8.	Mr. Kanoksak Pinsaeng	2,000,000	0.547
9.	Mrs. Jantira Luesakul	1,527,001	0.418
10.	Mr. Voraphot Amnueypol	1,500,000	0.410
	Other	23,169,188	6.339
	Total	365,549,286	100.00

Source: Thailand Securities Depository Co., Ltd.

• Types of Shareholders – Share allotment by nationality

Shareholder by Nationality	Number of Shareholders	Number of Share	% Total Share
Thai Shareholder	923	189,536,808	51.85
Foreign Shareholder	7	176,012,478	48.15
Total of Shareholders	930	365,549,286	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 49% of total issued shares"

- Group of major shareholders who has significant impact on the formulation of management policies
 - The shareholders from the same entity and voted an unanimously, which were Silom Road Limited and Mr. Viroj Tangjetanaporn, to have its major shareholder
- 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, as follow;

- The evaluation of the organization of the Annual General Meeting of Shareholders of 2019, held by Thai Investors Association, Thai Listed Companies Association and the Office of the Securities and Exchange Commission. The company scored 100 out of 100 total points.
- The evaluation of Corporate Governance policy among Thai listed companies in 2015, held by the Thai Institute of Directors (IOD) rated NINE “Very good” (4 stars). The criteria were based on data disseminated through different communication channels of the Stock Exchange of Thailand, as well as other NINE’s publishing documents.
- The results of the assessment by Thailand’s Private Sector Collective Action Coalition Against Corruption. The Company received certification as a member of Thailand’s Private Sector Collective Action Coalition against Corruption program (CAC), which confirms the Company’s readiness and commitment to corruption-free business operations and transparency. The certificate is valid for 3 years from November 10, 2017 to November 10, 2020.

In 2019, 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 2019

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 2019, 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 2019, the Company held the 2019 Annual General Meeting on April 22, 2019 at the Conference Room, 9B Floor, Interlink Building, Bangkok with registration started at 13.00 hrs. 7 Directors and 31 shareholders and proxies carrying 316,358,602 out of 365,549,286 distributed shares or 86.54 percent attended the AGM. The meeting proceeded according to the recognized guidelines and legal requirements.

The meeting proceeded according to the recognized guidelines and legal requirements.

Prior to the General Meeting of Shareholders

The Company presented data in the notification for the AGM, featuring complete details in the Company's website 30 days before the meeting. And the Company asked Thailand Securities Depository Co., Ltd., the Company's Share Registrar, to send out notifications for the meeting to every shareholder at least 7 days before the meeting. The notification for the meeting featured agendas, facts and reasons, Board's opinions on each agenda, minutes of the previous AGM, Annual Report, documents for each agenda, clarifications, procedures and information about independent Directors, procedures to attend the AGM, the Company's Articles of Association concerning the AGM, location map of the meeting venue, a response envelope and proxy, specified by the Ministry of Commerce. The notification was also published in a daily newspaper for 3 successive days at least 3 days before the meeting to notify shareholders in advance and allow share minor holders to propose an agenda, nominate persons to become a Director and send in questions before the meeting from November 12, 2018 to January 25, 2019. It's published in the www.set.or.th and www.nine.co.th No shareholders nominated anyone to become a Director or propose an agenda for the meeting.

The Company reported about shareholders' rights in nominating persons to become Directors and proposing an agenda for the AGM in its website on February 4, 2019.

Before the 2019 AGM, the Company solicited shareholders to send in their questions in advance through the Company's website and Fax at 02-091-5928 from March 22, 2019 to April 5, 2019 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

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

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

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

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

Shareholders who cannot attend the AGM in person can assign a proxy, who has no benefit in issues being considered, to represent them and cast votes on their behalf. The Company has enclosed a proxy form (Form B), in which each shareholder can direct how to vote on each agenda, with the notification for the AGM.

After the AGM

The company has announced the results of votes at the General Meeting of Shareholders 2018 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 2019, 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. Role 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)

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 Ethical Business Manual, and the Code of Conduct.

4.2 Charity donations, funds, or contributions

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

4.3 business relations and procurement

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

Duties and Responsibilities

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

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

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

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

Practices Course

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

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

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 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.

2.2 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 continuously organizes activities to promote strong relationships with customers in all groups. Activities are held throughout the year for readers of the Company's publications in each age group through various media, both online and offline. Examples include organizing enjoyable question-and-answer activities to distribute books such as Ketogenic Diet, Ikigai: Japanese Simple Lifestyle, Ketogenic Diet: What to eat? Switch of Idea, etc. Including organizing activities zone, booths and on-stage activities for children with gift souvenirs, and launch of the books "Ketogenic Diet what to eat?". Providing a meeting between authors and readers for question-and-answer sessions, such as Keto Talks and NED Talks, including sharing news with customers via Newsletter, Blog and Facebook.

2.3 Ethics on responsibilities to employees

The Company recognizes the value and importance of human resources as a key factor in the success of the organization. The Company strives to develop its employees by creating an environment that promotes both physical and mental health, with a healthy working atmosphere and strong teamwork. The Company encourages the establishment of committees to represent employees to participate in management, welfare issues and more, as required by law. It also provides opportunities and facilitates employees to establish a Thai mass media union in accordance with the Labor Relations Act 1975 to protect the interests of employees, promote good relations between employers and employees, as well as among employees. Employee-related activities include meetings between executives and employees (on important occasions), New Year parties, etc.

The Company attaches great importance to employee development and welfare, with an appropriate system of remuneration and welfare. In the short term, the Company considers rates of remuneration based on performance each year, competitiveness in the labour market, workforce planning, costs of living, etc. The initial remuneration of the employee, includes benefits such as allowances for sickness or accidents, death, loss of parents, spouse or children, marital gifts, help with children and their education. It also covers various types of employee leave, a provident fund, emergency loans, uniforms, medical fees, annual health check, accident and life insurance, expense allowances, travel expenses, as well as following accepted labour standards and human rights, in order to meet the necessary requirements and international standards, the right to form a labour committee or employee union, and the opportunity for employees to comment or raise complaints on various matters. In the long-term, the Company entitles employees to purchase the Company's ordinary shares at a fixed price (ESOP-Employee Stock Options) by issuing and offering warrants for the purchase of ordinary shares of Nation International Edutainment Public Company Limited. The Company first issued warrants for the Company's shares designated "ESOP-WA" on August 15, 2013 totaling 4,250,000 shares with an exercise date of May 15 and November 15 of each year for a total of five years. The first exercise date was on November 15, 2013 while the last exercise date will be on August 14, 2018 with an exercise ratio of 1 warrant: 1 new ordinary share. The exercise price is Baht 4 per share.

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 2019, 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 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 2019, the Company organized training for 51 employees, representing 48.57% of the total of 105 employees (average number of employees over the 12-month period). Training hours amounted to 720 hours in total or an average of 14.11 hours / person / year. Some 99% of the training was undertaken at training institutions or external agencies and 1% in house.

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.

2.4 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.

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.

2.5 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.

2.6 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

2.7 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, 5S 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 2019, the Company organized the CSR activities. (For detail, see Corporate Social Responsibility in 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@nine.co.th or visit in person, or postal mail to the Nation International Edutainment Plc. No. 333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900.

Procedure upon receipt of a complaint

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

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

4. Data disclosure and transparency

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

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

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

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

The Company's annual report 2019 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
13. Explanation and analysis of the financial status of the management
14. Accurate and complete financial statements in accordance with accounting standards
15. Financial statements and operating results

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

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

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 : 333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang,
Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900

Tel. : 02-091-5300

Fax : 02-091-5900

Email : 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 so that the Directors may be free in making decision for the highest benefit of the Company and shareholders as a whole. A procedure to monitor the Company's business operation has been set in place to ensure compliance with relevant laws on business morals, set up by the Board of Directors.

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

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

The Chairman of the Board of Directors has a role of chairing meetings, controlling, monitoring and

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

Counterbalance of Non-executive Directors

In 2019, the composition of the Company's Board of Directors featured six directors – three independent directors, two directors who served as an executive in NINE and its subsidiaries. and one executive director. 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 2019. No directors held directorship in more than 5 listed companies and Independent Director should have a term of office as a Board Director for not more than 9 years.

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 9.2 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 2019 were presented to the Audit Committee and the Board for their acknowledgement in November 2020. NINE disclosed information of those transactions, agreement partners, reason / necessity in the Annual Report and report form 56-1.

Board meetings

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

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

In addition, the non-executive directors have held meetings to discuss various issues related to business operations before the Board of Directors meeting.

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 2019, the Board of Directors evaluated the Board's performance in 2 parts; namely individual evaluation (by oneself) and collective evaluation of the entire Board, based on the evaluation references of the Stock Exchange of Thailand and Thai Institute of Directors (IOD). Evaluation scores were as follows: 4: agree, 3: rather strongly agree, 2: agree, 1: disagree, 0: strongly disagree.

The evaluation process begins by November 2019. The Secretary submits the SET's Evaluation Form to the Board of Directors for review and reassurance of the accuracy, completeness and compliance with company's criteria. Next, the evaluation form will be forwarded to the Board of Directors and Audit Committee for evaluation. The evaluation form must be returned within January 15, 2020 in order to finalize scores and announce the results to the Board of Directors and the Audit Committee at the meeting 1/2020 on February 2020.

Evaluation could be summarized as follows:

- Individual assessment by topics – they include organizational structure and qualifications of the Board or Directors, the Board of Directors' Meeting, and the Board of Directors' role and responsibilities. The results showed that the majority agreed strongly and agreed very strongly, representing 100%.
- The Board's assessment by topics – they include organizational structure and qualifications of the Board or Directors, the Board of Directors' Meeting, and the Board of Directors' role and responsibilities, director's function, relationship with Management, self-development of the Board and executives. The results showed that the majority agreed strongly and agreed very strongly, representing 100%.
- Audit Committees' assessment by topics – they include organizational structure and qualifications of the Audit Committees, the meeting, and the Audit Committees' role and responsibilities. The results showed that the majority agreed very strongly, representing 100%.
- The Chief Executive Officer's performance is considered by the Board of Directors, based on SET's evaluation approach. The completed forms will then be compared, and the information acquired from the comparison will be used for the CEO's further capability development.

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 2019 and 2018 were as follows:

Director / Position	Remunerations 2019				Remunerations 2018			
	Remuneration	Meeting Allowance	Others	Total	Remuneration	Meeting Allowance	Others	Total
Chairman:								
- Mr. Pana Janviroj	400,000.-	-	-	400,000.-	400,000.-	-	-	400,000.-
Non-Executive Directors:								
- Mr. Ka Ming Jacky Lam	-	-	-	-	150,000.-	-	-	150,000.-
Chairman of Audit Committee:								
- Mr. Pundit Jiranapapan	-	-	-	-	300,000.-	-	-	300,000.-
- Mrs. Suparanan Tanviruch	400,000.-	-	-	400,000.-	-	-	-	-
Audit Committee:								
- Mr. Phanwarit Martmuang	300,000.-	-	-	300,000.-	300,000.-	-	-	300,000.-
- Mr. Stephen Joseph Camilleri	300,000.-	-	-	300,000.-	300,000.-	-	-	300,000.-
Executive Director:								
- Mr. Voraphot Chanyakomol	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
- Mr. Somchai Meesen	100,000.-	-	-	100,000.-	200,000.-	-	-	200,000.-
- Mr. Viroj Tangjettanaporn	200,000.-	-	-	200,000.-	50,000.-	-	-	50,000.-
Total	1,900,000.-	-	-	1,900,000.-	1,900,000.-	-	-	1,900,000.-

Note: The committees' remuneration shall be in the line with annual remuneration for the year 2019 as approved by the 2019 Annual General Meeting's resolution on April 22, 2019; the committees' remuneration shall be paid on quarterly basis amount 2 Million Baht.

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 2018, the following directors were encouraged to join the trainings;

No.	Name	Position	Training Course(s) 2019
1	Mr. Phanwarit Martmuang	Independent Director and Member of the Audit Committee	KPMG • Fraud risk management - using data analytics to prevent and detect fraud
2	Mr. Stephen Joseph Camilleri	Independent Director and Member of the Audit Committee	KPMG • Fraud risk management - using data analytics to prevent and detect fraud
3	Mr. Voraphot Chanyakomol	Director and Chief Financial Officer	TLCA • Policy of the SEC for the development of the capital markets and supporting operations of listed companies • “How important are intangible assets impairments?” & “How important of Employee Benefit Actuarial Valuation”

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	Mrs. Suparanan Tanviruch	The Chairman of Audit Committee	Independent Director and acknowledge accounting and financing
2	Mr. Phanwarit Martmuang	The Member of Audit Committee	Independent Director
3	Mr. Stephen Joseph Camilleri	The Member of Audit Committee	Independent Director

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. Review the accuracy of references and self-assessments concerning the business's anti-corruption measures under Thailand's Private Sector Collective Action Coalition Against Corruption program.

8. 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 Committees, 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
- Commons 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.

9. Perform other duties assigned by the Board of Directors under the approval of the Audit Committee.

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

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 three following members.

No.	Name	Position
1	Mr. Pana Janviroj	Chairman of Executive Committee
2	Mr. Voraphot Chanyakomol	Chief Financial Officer
3	Mr. Viroj Tangjetanaporn	Executive Director

Note : Mr. Somchai Meesen resigned from the positions of Director of the Company with on August 16, 2019 onwards.

Roles and Responsibilities of the Executive Committee

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 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.

Delegation of Company's authorized

Limit Amount	Project	Authorized by
Without limitation	All Projects	Board of Directors
≤ 30 MB per annum	All Projects	Majority Vote of Executive Committee
≤ 5 MB per transaction or in aggregate ≤ 20 MB per annum	All Projects	CEO and CFO signed together
≤ 1 MB per transaction or in aggregate ≤ 5 MB per annum	All Projects	CEO or CFO



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

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 2019, 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 2019, 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 2019 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 12 2020.

And the Company's Board of Director has reported the shareholding by comparing an increase (decrease) between December 31, 2018 and December 31, 2019 as follow:-

No.	Name	Number of Shares				
		Dec. 31, 2019	Dec. 31, 2018	No. of shares increase (decrease) during the period (shares)	Company's holding ratio (%) As of Dec.31, 2018	Notes
1	Mr. Pana Janviroj	-	-	-	-	-
2	Mrs. Suparanan Tanviruch	-	-	-	-	-
3.	Mr. Phanwarit Martmuang	-	-	-	-	-
4	Mr. Stephen Joseph Camilleri	-	-	-	-	-
5	Mr. Voraphot Chanyakomol	-	-	-	-	-
6	Mr. Viroj Tangjetanaporn	19,550,000	19,550,000	-	5.35	-
7	Ms. Thitagan Thana-Olarn	-	-	-	-	-
8	Ms. Natchanan Charoenpathrakiat	-	-	-	-	-
9	Mrs. Tientara Deshjamroen	500	500	-	-	-

Notes : 1. Paid shares as of December 31, 2019 of NINE is 365,549,286 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 2,000,000.

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

The quorum for a meeting to be voted on by the conference committee a of at least 2/3 of the total members and in 2019, 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 meeting 2019		
		Board of Director	Audit committee	AGM
1.	Mr. Pana Janviroj (Appointed as a director since Jan. 18, 2018)	9/9	-	1/1
2.	Mr. Voraphot Chanyakomol (Appointed as a director since Feb. 27, 2018)	9/9	-	1/1
3.	Mrs. Suparanan Tanviruch (Appointed as a director since Jan. 21, 2019)	8/8	4/4	1/1
4.	Mr. Phanwarit Martmuang (Appointed as a director since Feb. 27, 2018)	9/9	4/4	1/1
5.	Mr. Stephen Joseph Camilleri (Appointed as a director since Feb. 27, 2018)	9/9	4/4	1/1
6.	Mr. Somchai Meesen (Appointed as a director since Mar. 15, 2018)	6/6	-	1/1
7.	Mr. Viroj Tangjetanaporn (Appointed as a director since Nov. 29, 2018)	9/9	-	1/1

Note: The Board of Directors' Meeting 2019 included a total of 9 meetings, 4 meetings of the Audit Committees. The Board of Directors' Meeting No 1/2019 on January 18, 2019 had a resolution to appoint one director (No.3). Director No.6 resigned from the positions of Director with on August 16, 2019 onwards. 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 the Company's Board of Directors' Meeting No. 1/2020, all three members of the Audit Committee attended the meeting on February 7, 2020. The Board of director evaluated the internal control system of the company by asking the management and the audit committee about the Internal control assessment system with Internal Control Framework: COSO 2013 which was reviewed and approved by Audit Committee. Moreover, Audit Committee gain information from internal audit reports to conclude that the internal audit suitably and efficiently as per internationally accepted procedures and standards by reviewing in 5 different aspects 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 wok 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

Mr. Yutthapol Charoenrat 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 2019

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 2019, the NINE organized and participated in the following social activities with primary aims of promoting youth learning:

Books were presented to shelters and foundations, as follows:

1. The Mirror Foundation (Vibhavadi Rangsit 62), Bangkok province, on December 13, 2019.



2. Foundation For Children (FFC) (Phutthamonthon Sai 4), Bangkok province, on December 13, 2019. By donating children's books, including bilingual storybooks, coloring books, and skill enhancement activities books (matching, dots the dots) under sharing love sharing knowledge project for children in the countryside in the amount of 10 boxes.





Awards received by Nation International Edutainment Pcl. in 2019

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

On March 29, 2019, Her Royal Highness Princess Maha Chakri Sirindhorn graciously presented a certificate to Ms. Natchanan Charoenpathrakit on behalf of NINE at the 47th National Book Fair and 17th International Book Week, events sponsored by the Publishers and Booksellers Association of Thailand (PUBAT).



On October 1, 2019 the Company received a plaque of honor from the Publishers and Bookseller Association of Thailand (PUBAT) as a sponsor of the 24th International Book Fair and the 12th Book Festival for young people 2018, 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 2019

Attn. Shareholders of Nation International Edutainment Public Company Limited

The Audit Committee

The Audit Committee of Nation International Edutainment Public Company Limited consists of three independent directors, with Mrs. Suparanan Tanviruch as the Committee Chairman (she has been a Committee Member and was appointed as the Committee Chairman on January 21, 2019). Mr. Phunwarit Martmuang (appointed on February 27, 2018) and Mr. Stephen Joseph Camilleri (appointed on February 27, 2018) are Committee Members.

During 2019, 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 2019, with management and the company's Independent Auditor. The audit inspected the financial reports of the company and its affiliates to ensure they had been organized correctly and properly, especially in their individual subject matter, in accordance with generally accepted accounting principles and that they disclosed all complete and credible information. In addition, the Committee reviewed the information disclosure and operations on mutual transactions between the company, its affiliates and its joint ventures, as well as connected transactions, in order to ensure the company had complied with and fulfilled all approved business practices and regulations as required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Review of the internal control system: In the Board's meeting no. 1/2020 on February 12, 2020 the Board considered and assessed the sufficiency of internal control based on the internal control assessment by the Management by using the internal control assessment form which was aligned with SEC's guidelines and reviewed by the Audit Committee. The Board agreed with the Audit Committee that "The internal control system of the company and its affiliates was considered appropriate and adequate. Sufficient personnel were assigned to uphold the internal control system and that the internal control system was properly set to monitor the subsidiaries' operations in order to safeguard of the Company and its affiliates' assets from misuse or unauthorized use by the Directors, the Management or employees. "

In addition, review the company's compliance with private sector's anti-corruption and certification programs, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool. The company maintains policies and practices to ensure corruption-free business in accordance with criteria set by the CAC Board. The company was awarded a membership certificate on November 10, 2017.

Oversight of internal Audit: 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 2019, 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 2019, the auditor could not find any material discrepancy for the internal control of the company.

Risk Management System : The Audit Committee considered that the company's risk management system is appropriate and sufficient. The management has a track changes and associated risk factors closely and reported the situation including plan changes to The Audit Committee regularly.

Compliance with laws on securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as other laws relative to the company's business: In February 2020, 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: Select and nominate auditor and determine audit fees for the year 2019 to propose to the Board of Directors to subsequently propose it for approval by the 2019 Annual General Meeting of shareholders of which the Audit Committee has considered the credentials, independency and appropriation of audit fees and has resolved to appoint KPMG Phoomchai Audit Co., Ltd. : Ms. Marisa Tharathornbunpakul Certified Public Accountant Registration No.5752 or Mrs. Sasithorn Pongadisak Certified Public Accountant Registration No.8802 or Mr. Thanit Osathalert Certified Public Accountant Registration No. 5155 to act as the auditor of the Company and Subsidiaries' for the year 2019 with the annual audit fees of Baht 2,000,000

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, 2019, 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 Thai Financial Reporting Standards (TFRSs).



(Mrs. Suparanan Tanviruch)
Chairman of the Audit Committee

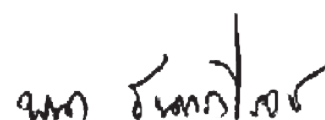
Report on the Board of Directors' Responsibilities to the Financial Reporting for the year 2018

Nation International Edutainment Public Company Limited

The Board of Directors are aware of its duties and responsibilities to a listed company, and in regulating and ensuring transparency, accuracy and completeness of the financial reporting. The task is to provide appropriate and sufficient materials and information to protect the Company's assets, prevent frauds, abnormal transactions or related conflict of interest transactions. The Board must also work to assure normal course of commercial transactions in compliance with the generally accepted accounting standards, implement appropriate accounting policies, regular business practices and exercise precision and caution in reporting separate as well as consolidated financial statements of the Company and its subsidiaries, inclusive of financial information that appeared in the annual report of the Company.

For the stakeholders to have confidence in the financial reporting of the Company, the Board of Directors is tasked with appointing the Audit Committee whose members consist of independent directors with qualifications meeting the requirements of the Stock Exchange of Thailand (SET) and Notification of the Capital Market Committee. The Audit Committee is responsible for ensuring that there are sufficient and accurate reports on the Company's financial and business operations. The work must contain sufficient transparency in the disclosure, accurate and completeness of the related transactions and those with the conflict of interest, as well as adequateness reports on risk management, sufficient and effective internal control, and operating rules and regulations of the Company. These must meet the guideline set by the Stock Exchange of Thailand (SET) and the Notification of the Capital Market Committee. The Audit Committee must give its qualified opinions of the agenda to the Company's Board of Directors as required in the annual registration statement (56-1) and annual report of the Company.

The Board of Directors is of the opinion that internal control of the Company as a whole is satisfactory to some degree with a reasonable confidence to the reliability of the separate and consolidated financial statements of the Company and its subsidiaries up to December 31, 2019. The Company's auditors are of the opinion that the financial statements representing the financial position, operating results, and cash flow are presented fairly, in all material respects in accordance with Thai Financial Reporting Standards (TFRSs), and in line with the use of appropriate accounting policies and practices regularly, transparent and adequate disclosure in accordance with the applicable laws and relevant regulations.



Mr. Pana Janviroj
Chief Executive Officer

Clarification on Percentage of Change More Than 20%

The consolidated financial statements of Nation International Edutainment Public Company Limited and its subsidiaries for the year ended 31 December 2019 showed a loss of Baht 98.94 million. Compared to the same period of 2018, the loss was Baht 168.95 million, decreasing of 41.43%. The Company would like to clarify significant changes in the Group's operating results as follows:

1. Revenues from sales and services for the year ended 31 December 2019 decreased 30.42% compared to the same period of 2018. The main reasons were:

- Revenues from circulation increased 7.34% with circulation revenues of comic books and children books increasing 0.92%. In addition, pocket books and consignment products increased 16.2%.
- Revenues from rendering of services decreased 63.91% due to less margins from publishing, distribution and other service from foreign publications. Thus, the company will no longer continue operating this business from September 1, 2018 onwards.

2. Costs and expenses for the year ended 31 December 2019 decreased 21.67% compared to the same period of 2018. The main reasons were:

- Cost of goods sold decreased 37.78% due to business restructuring at the end of 2018
- Selling and Distribution Costs decreased 71.87% due to less exhibition cost
- Administrative expenses increased 25.83% due to ceased commercial operation of a subsidiary company and pay compensation to the employees

Conclusion :

The Group reported a profit for the year ended 31 December 2019, showed a loss of Baht 98.94 million. Compared to the same period of 2018, the loss was Baht 168.95 million, decreasing of 41.43%



Other Reference Persons

Security Registrar (Common Share)

Thailand Securities Depository Company Limited

93 The Stock Exchange of Thailand Building, 1st Floor, Tower B
Rachadapisek Road, Din Daeng, Bangkok 10110

Tel : (66) 2009-9999

Fax : (66) 2009-9991

Certified Public Accountant

1. Ms. Marisa Tharathornbunpakul Certified Public Accountant Registration No. 5752 or
2. Mrs. Sasithorn Pongadisak Certified Public Accountant Registration No.8802 or
3. Mr. Thanit Osathalert Certified Public Accountant Registration No. 5155

KPMG Phoomchai Audit Company Limited

1 Empire Tower, 50-51 Floor, South Sathorn Road, Yannawa, Bangkok 10120

Tel : (66) 2677-2000

Fax : (66) 2677-2222

Audit Fee

1. The audit fee of the Company and subsidiaries for the year 2019 is Bt 2,000,000
2. Non-audit fee -None-

Legal Consultants

Pow & Associates Law Office Limited

140/40A, 19th Floor, ITF Building, Silom Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500

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Investor Relations

Nation International Edutainment Public Company Limited

333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road,
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**Nation International Edutainment Public Company
Limited and its Subsidiaries**

Financial statements for the year ended
31 December 2019
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 2019, 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 2019 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 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.

Marisa



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.

Valuation of other receivables with related parties	
Refer to Notes 3 (d) 5 and 8 to the separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group's other receivables mainly consists of related parties which some of whom have financial position and liquidity's risk.</p> <p>The Group assesses the allowance for doubtful accounts for each of debtors based on the age profile of the receivables by considering the ability of future repayment. The estimation of expected receivable involves management's judgment to determine the allowance for doubtful accounts. Therefore, I consider this matter to be a key audit matter.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • inquiring of management and gaining an understanding of the allowance for doubtful accounts policies; • assessing the appropriateness of the allowance for doubtful accounts policies by considering primarily on analysis of payment histories and ability of payment which represent the financial position of debtors, including testing subsequent collection after the reporting period as well as inquiring management relating to situation of debtors which might affect the estimation of expected receivable of other accounts receivable. • sampling the age profile information and the detail to calculate the allowance for doubtful accounts with related documents and testing the mathematic accuracy; and • evaluating the adequacy of the financial statements disclosures.

Marisa



Valuation of inventories	
Refer to Notes 3 (e) and 9 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The changes of publication businesses in which purchasing power has gradually decreased and consumer behaviour changed, including the current economic downturn. It affects the valuation of the Group's inventories in publication category. Management uses significant judgment to estimate the valuation of inventories on the age of inventory, classification based on the distribution channel and future business plans. There is a risk that the net realisable value of inventory may be less than its cost because of the risk and levels of judgment involved. I consider this matter to be a key audit matter.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • 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, including considering the estimation of selling expenses with supporting documents and historical information; and • evaluating the adequacy of the financial statements disclosures.

Moussa



Impairment testing of investment in subsidiaries.	
Refer to Notes 3 (g) 11 to the separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Company's portfolio of investments in subsidiaries, which operates in publications for education and entertainment. The investment in subsidiaries in the separate financial statements is considered significant.</p> <p>In consideration of, the publications in which purchasing power has gradually decreased and consumer behaviour changes, including the current economic downturn. It affects the publications business and high competition in the online media business. Consequently, these matters affect the operations of subsidiaries which are indicators of potential impairment on the investment in subsidiaries.</p> <p>The consideration of recoverable amount of investment in subsidiaries depends on the management's judgments to determine assumptions in respect to the forecast of operating results, discount rate and key assumptions used to estimate the recoverable amount. I consider this matter to be a key audit matter.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • inquiring management and gaining an understanding of the determination of cash-generating units of the Group and the estimated recoverable amount from the preparation of discounted forecast cash flow along with management approval; • assessing the discounted forecast cash flow 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 in which the Group operates and testing the computation of discounted forecast cash flow; • evaluating the sensitivity of key assumptions used in the estimation of future cash flows in order to evaluate the effects to the recoverable amount; and • evaluating the adequacy of the financial statements disclosures.

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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Maisha



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.

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.

Maisha



- 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.



(Marisa Tharathornbunpakul)
Certified Public Accountant
Registration No. 5752

KPMG Phoomchai Audit Ltd.
Bangkok
7 February 2020



Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2019	2018	2019	2018
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	6	257,398,645	338,748,381	250,045,396	333,480,852
Current investments		545,091	100,000	60,891	100,000
Trade accounts receivable	5, 7	12,412,075	13,867,092	6,289,908	6,368,687
Accrued income	20	1,546,290	932,067	1,310,228	102,643
Other receivables	5, 8	1,556,831	10,813,283	10,433,480	17,540,633
Short-term loans to related parties	5	-	-	-	3,000,000
Inventories	9	14,548,538	12,483,563	7,780,252	4,868,855
Other current assets		8,946,216	6,178,243	1,713,753	782,015
Total current assets		296,953,686	383,122,629	277,633,908	366,243,685
Non-current assets					
Restricted deposit		340,000	-	340,000	-
Investments in subsidiaries	11	-	-	1,000,000	46,385,838
Leasehold improvements and equipment	12	11,432,125	13,474,991	11,125,193	10,286,374
Goodwill	4, 13	-	-	-	-
Other intangible assets	14	6,398,765	49,240,772	5,126,166	3,982,624
Deferred tax assets	26	1,968,001	1,719,520	1,747,427	1,286,344
Other non-current assets		1,547,055	1,789,867	1,349,255	1,595,267
Total non-current assets		21,685,946	66,225,150	20,688,041	63,536,447
Total assets		318,639,632	449,347,779	298,321,949	429,780,132

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		2019	2018	2019	2018
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	5	4,555,539	4,537,715	2,350,934	522,492
Other payables	5, 15	14,021,028	41,056,694	2,858,457	7,947,591
Accrued expenses	5	8,575,485	13,390,887	6,055,941	5,333,478
Output value added tax pending		2,706,749	4,007,913	2,515,643	3,785,365
Other current liabilities		3,031,019	3,178,641	2,062,371	1,532,131
Total current liabilities		32,889,820	66,171,850	15,843,346	19,121,057
Non-current liabilities					
Non-current provisions for employee benefit	16	11,207,122	8,597,601	9,875,859	6,431,719
Other non-current liabilities		507,351	815,121	160,000	111,309
Total non-current liabilities		11,714,473	9,412,722	10,035,859	6,543,028
Total liabilities		44,604,293	75,584,572	25,879,205	25,664,085
Equity					
Share capital	17				
Authorised share capital		390,549,286	390,549,286	390,549,286	390,549,286
Issued and paid share capital		365,549,286	365,549,286	365,549,286	365,549,286
Share premium on ordinary shares	17	342,646,051	342,646,051	342,646,051	342,646,051
Warrants	18	-	-	-	-
Deficit					
Appropriated					
Legal reserve	19	10,650,000	10,650,000	10,650,000	10,650,000
Deficit		(444,734,784)	(344,997,760)	(446,402,593)	(314,729,290)
Equity attributable to owners					
of the parent		274,110,553	373,847,577	272,442,744	404,116,047
Non-controlling interests		(75,214)	(84,370)	-	-
Total equity		274,035,339	373,763,207	272,442,744	404,116,047
Total liabilities and equity		318,639,632	449,347,779	298,321,949	429,780,132

Nation International Edutainment Public Company Limited and its Subsidiaries
Statement of comprehensive income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Continuing operations					
Revenues	5, 20				
Revenue from sale of goods		54,115,799	50,412,200	24,635,112	21,198,984
Revenue from rendering of services		2,200,829	29,999,864	2,200,829	29,965,076
Interest income		3,840,596	3,677,427	8,799,250	4,116,210
Other income	21	5,783,786	10,681,714	15,247,696	16,149,672
Total revenues		65,941,010	94,771,205	50,882,887	71,429,942
Expenses	5				
Cost of sale of goods and rendering of services		39,263,217	63,098,144	21,509,929	38,321,546
Distribution costs	22	5,990,207	21,299,000	5,824,241	15,676,759
Administrative expenses	23	55,253,428	43,910,559	50,653,480	34,428,878
Impairment losses and other provisions (reversal of)	5, 7, 8, 11, 13	(41,314,647)	56,165,691	104,022,380	129,256,624
Finance costs		560,984	692,125	397,665	526,201
Total expenses		59,753,189	185,165,519	182,407,695	218,210,008
Profit (loss) before income tax expense					
from continuing operations		6,187,821	(90,394,314)	(131,524,808)	(146,780,066)
Tax (expense) income	26	523,806	(9,324,819)	461,083	(7,037,033)
Profit (loss) for the year from continuing operations		6,711,627	(99,719,133)	(131,063,725)	(153,817,099)
Discontinued operation					
Loss for the year from discontinued operation, net of tax	10	(105,652,256)	(69,233,836)	-	-
Loss for the year		(98,940,629)	(168,952,969)	(131,063,725)	(153,817,099)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Gains (losses) on remeasurements of defined benefit plan	16	(787,439)	2,785,509	(609,578)	2,700,728
Income tax relating to items that will not be reclassified subsequently to profit or loss	26	-	(557,102)	-	(540,146)
Total items that will not be reclassified subsequently to profit or loss		(787,439)	2,228,407	(609,578)	2,160,582
Other comprehensive income (expense) for the year - net of income tax		(787,439)	2,228,407	(609,578)	2,160,582
Total comprehensive expense for the year		(99,728,068)	(166,724,562)	(131,673,303)	(151,656,517)

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	
	Year ended 31 December		Year ended 31 December	
Note	2019	2018	2019	2018
	<i>(in Baht)</i>			
Profit (loss) attributable to				
Owners of parent	(98,950,042)	(168,907,524)	(131,063,725)	(153,817,099)
Non-controlling interests	9,413	(45,445)	-	-
Loss for the year	<u>(98,940,629)</u>	<u>(168,952,969)</u>	<u>(131,063,725)</u>	<u>(153,817,099)</u>
Total comprehensive income (expense) attributable to				
Owners of parent	(99,737,024)	(166,679,117)	(131,673,303)	(151,656,517)
Non-controlling interests	8,956	(45,445)	-	-
Total comprehensive expense for the year	<u>(99,728,068)</u>	<u>(166,724,562)</u>	<u>(131,673,303)</u>	<u>(151,656,517)</u>
Loss per share	27			
Basic and diluted loss per share from continuing operations	0.02	(0.53)	(0.36)	(0.82)
Basic and diluted loss per share from discontinuing operations	(0.29)	(0.37)	-	-

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							
		Deficit		Equity			

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					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit (in Baht)	Equity attributable to owners of the parent	
Year ended 31 December 2019						
Balance at 1 January 2019	365,549,286	342,646,051	10,650,000	(344,997,760)	373,847,577	373,763,207
Transactions with owners, recorded directly in equity						
<i>Changes in ownership interests in subsidiaries</i>						
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	200
<i>Total changes in ownership interests in subsidiaries</i>	-	-	-	-	-	200
Total transactions with owners, recorded directly in equity	-	-	-	-	-	200
<i>Comprehensive income (expense) for the year</i>						
Profit or loss	-	-	-	(98,950,042)	(98,950,042)	(98,940,629)
Other comprehensive income	-	-	-	(786,982)	(786,982)	(787,439)
<i>Total comprehensive income (expense) for the year</i>	-	-	-	(99,737,024)	(99,737,024)	(99,728,068)
Balance at 31 December 2019	365,549,286	342,646,051	10,650,000	(444,734,784)	274,110,553	274,035,339

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



Year ended 31 December 2018						
Balance at 1 January 2018						
		170,048,386	272,705,895	4,214,805	10,650,000	289,729,393
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
17	Issue of ordinary shares	195,500,000	69,937,456	-	-	265,437,456
17, 18	Shares options exercised	900	2,700	-	-	3,600
18	Share-based payment transactions	-	-	602,115	-	602,115
	<i>Total contributions by and distributions to owners of the Company</i>	<u>195,500,900</u>	<u>69,940,156</u>	<u>602,115</u>	<u>-</u>	<u>266,043,171</u>
	Total transactions with owners, recorded directly in equity	<u>195,500,900</u>	<u>69,940,156</u>	<u>602,115</u>	<u>-</u>	<u>266,043,171</u>
Comprehensive income (expense) for the year						
	Loss	-	-	-	(153,817,099)	(153,817,099)
	Other comprehensive income	-	-	-	2,160,582	2,160,582
	Total comprehensive income (expense) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,656,517)</u>	<u>(151,656,517)</u>
18	Transfer to deficit	-	-	(4,816,920)	-	-
	Balance at 31 December 2018	<u>365,549,286</u>	<u>342,646,051</u>	<u>-</u>	<u>10,650,000</u>	<u>404,116,047</u>

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			
	Issued and paid-up share capital	Share premium	Legal reserve (in Baht)	Deficit
Year ended 31 December 2019				
Balance at 1 January 2019	365,549,286	342,646,051	10,650,000	(314,729,290)
				404,116,047
Comprehensive income (expense) for the year				
Loss	-	-	-	(131,063,725)
Other comprehensive income	-	-	-	(609,578)
Total comprehensive income (expense) for the year	-	-	-	(131,673,303)
				(131,673,303)
Balance at 31 December 2019	365,549,286	342,646,051	10,650,000	(446,402,593)
				272,442,744

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	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Loss for the year	(98,940,629)	(168,952,969)	(131,063,725)	(153,817,099)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	(248,481)	9,091,264	(461,083)	7,037,033
Finance costs	588,814	706,840	397,665	526,221
Depreciation	3,210,702	1,171,114	2,520,521	703,599
Amortisation of other intangible assets	15,491,163	15,099,345	1,942,209	3,779,696
Impairment losses	30,452,748	5,614,162	46,385,838	46,614,162
Non-current provisions for employee benefit (reversal of)	1,619,369	(1,873,820)	2,661,790	(739,450)
Unrealised (gain) loss on exchange	(913,400)	434,839	-	-
Share-based payment	-	602,115	-	602,115
Gain on fair value adjustment of investments in debt securities	-	(2,070,322)	-	(2,070,322)
Bad and doubtful debts expense (reversal of)	(41,314,647)	50,551,529	57,636,543	82,642,462
Allowance for goods returned (reversal of)	447,069	(1,381,736)	698,146	(451,771)
Right to recover to returned product	(482,048)	-	(201,697)	-
Loss on inventories devaluation (reversal of)	(131,424)	1,798,718	698,687	1,092,685
(Gain) loss on disposal of leasehold improvements and equipment	50,366	(43,080)	-	(27,856)
Gain on disposal of intangible assets	-	(48,219)	-	(48,219)
Loss on disposal of leasehold improvements	2,342,801	-	-	-
Loss on written-off of withholding tax	113,220	46,858	-	584
Interest income	(3,858,703)	(3,700,246)	(8,799,250)	(4,116,210)
	(91,573,080)	(92,953,608)	(27,584,356)	(18,272,370)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	35,723,368	7,509,365	35,083,857	5,847,518
Accrued income	(614,223)	2,623,233	(1,207,585)	2,505,281
Other receivables	16,520,767	4,649,630	6,496,196	2,272,200
Inventories	(1,933,550)	4,366,827	(3,610,083)	(262,270)
Other current assets	(1,088,120)	(5,322,896)	256,633	(54,367)
Restricted deposit	(340,000)	400,100	(340,000)	-
Other non-current assets	(173,200)	(1,140,730)	(170,000)	(1,141,030)
Trade accounts payable	17,824	(8,629,581)	1,828,442	(11,514,727)
Other payables	(25,198,706)	4,607,827	(6,200,853)	3,256,078
Accrued expenses	(4,815,402)	1,300,120	722,463	(249,518)
Output value added tax pending	(1,301,164)	(639,673)	(1,269,722)	(846,736)
Other current liabilities	(594,690)	497,533	(167,906)	830,342
Non-current provisions for employee benefit	-	(22,495)	-	(8,715)
Other non-current liabilities	(307,771)	(33,541)	48,691	-
Net cash from (used in) operating	(75,677,947)	(82,787,889)	3,885,777	(17,638,314)
Taxes paid	(1,310,825)	(632,165)	(986,674)	(518,977)
Withholding tax refunded	416,012	462,576	416,012	462,576
Net cash from (used in) operating activities	(76,572,760)	(82,957,478)	3,315,115	(17,694,715)

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	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of subsidiary, net of cash acquired	-	(1,557,622)	-	(10,000,000)
Current investments	(445,091)	(36,370)	39,109	(100,000)
Proceeds from sale of other debt security in private fund	-	104,872,578	-	104,872,578
Proceeds from sale of other debt security	-	133,158,949	-	133,158,949
Acquisition of other debt security	-	(133,000,000)	-	(133,000,000)
Proceeds from sale of leasehold improvements and equipment	121,102	40,460	-	37,189
Acquisition of leasehold improvements and equipment	(3,528,109)	(12,397,731)	(3,359,340)	(10,340,013)
Acquisition of intangible assets	(4,179,460)	(27,063,019)	(1,974,032)	(2,379,252)
Proceeds from repayment of short-term loan to related party	-	-	3,000,000	-
Short-term loans to related party	-	-	(87,000,000)	(36,000,000)
Interest received	3,640,683	3,267,844	3,768,585	3,681,517
Net cash from (used in) investing activities	(4,390,875)	67,285,089	(85,525,678)	49,930,968
<i>Cash flows from financing activities</i>				
Investment in subsidiaries	-	-	(1,000,000)	(50,000,000)
Proceeds from issue of shares	-	273,700,000	-	273,700,000
Proceeds from exercise of share options	-	3,600	-	3,600
Transaction costs from issue of shares	-	(8,262,545)	-	(8,262,545)
Repayment of borrowing	-	(2,881,172)	-	-
Interest paid	(386,101)	(357,446)	(224,893)	(252,979)
Net cash from (used in) financing activities	(386,101)	262,202,437	(1,224,893)	215,188,076
Net increase (decrease) in cash and cash equivalents	(81,349,736)	246,530,048	(83,435,456)	247,424,329
Cash and cash equivalents at 1 January	338,748,381	92,218,333	333,480,852	86,056,523
Cash and cash equivalents at 31 December	257,398,645	338,748,381	250,045,396	333,480,852
<i>Non-cash transactions</i>				
Payable for purchase of leasehold improvements and equipment	-	237,785	-	-
Payables for purchase of intangible assets	491,490	31,851,545	1,111,719	1,230,425

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 2019

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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 7 February 2020.

1 General information

Nation International Edutainment Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Market for Alternative Investment. The Company’s registered office at 333 Lao Peng Nguan 1 Tower, 24th Floor, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok.

On 16 August 2019, Nation Multimedia Group Public Company Limited (formerly the major shareholder) was sold the Company’s share totally 120.81 million shares, equivalent to 33.05% of the total Company’s share, which is the total Company’s share held by Nation Multimedia Group Public Company Limited, resulting to significant change in the shareholder structure of the group. The Company’s major shareholder after changing the shareholder structure during the year ended 31 December 2019 were Silom Limited (48.13% shareholding), which was incorporated in British Virgin Islands and Mr. Wanchai Panwichien is a Thai nationality (22.75% shareholding).

The principal activities of the Company are importing, publishing and distributing local and foreign publications, production of TV programmes and providing advertisements through TV media, digital media and character management. Details of the Company’s subsidiaries as at 31 December 2019 and 2018 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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations. The details of accounting policies are disclosed in note 3 (q).

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 30.

(b) Functional and presentation currency

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(c) 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 the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- | | |
|------------|---|
| Note 3 (q) | Revenue recognition: <ul style="list-style-type: none"> whether revenue from sales of made-to-order products is recognised over time or at a point in time |
|------------|---|

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- | | |
|--------------------|---|
| Note 3 (q) | Revenue recognition: estimate of expected returns; |
| Note 4 | Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis; |
| Note 3 (d) | Measurement of allowance for doubtful debts of trade and other accounts receivable, short-term loans and impairment of contract assets |
| Note 5, 7 and 8 | Measurement of expected receivable; |
| Note 9 | Measurement of net realisable value of inventories; |
| Note 11, 13 and 14 | Impairment test of goodwill: key assumptions underlying recoverable amounts; |
| Note 16 | Measurement of defined benefit obligation: key actuarial assumptions; and |
| Note 26 | Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised |

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

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 in accordance with the current situation and focusing on the publishing and distributing of certain profitable publications. According to the aforementioned operation's results, the Group has considered to recognise loss on decline in value of inventories and written-off the licences for publications for the year 2016. For the year ended 31 December 2019, the Group incurred net loss of Baht 98.94 million and Baht 131.06 million in the consolidated and separate statements of comprehensive income, respectively, and as of the date, the Group had deficit of Baht 444.73 million and Baht 446.40 million in the consolidated and separate statements of financial position, respectively. The Group is still in the process of business restructuring and development in order to enhance its potential and competitiveness in the future. These response to the change of customer behaviour which are more online-oriented such as increasing the efficiency of online distribution channels, selecting of quality books, improving the speed of delivery of books, reducing the distribution through modern trade and

Nation International Edutainment Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

expanding its business to increase target customers, as well as the Group has financial restructuring by increasing in the registered share capital for working capital and liquidity within the Group and registered an additional subsidiary in 2019.

The management of the Group believes that the preparation of the financial statements on a going concern basis is appropriate since the Group has sufficient working capital and liquidity to continue its operations at least 12 months from the end of the reporting period. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group and the Company 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”).

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree’s employees (acquiree’s awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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 equity 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 equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

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

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

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(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, short-term loans and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at value less allowance for doubtful accounts. The Group determines allowance for doubtful account to reflect the valuation of expected receivable of trade accounts receivable. Management uses their judgement to set the allowance by considering from each debtors according to the age profile of debtors as well as analysing payment histories and expectation of future payment from debtors. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(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 calculated using the following principles:

Finished goods and work in progress - books	- Weighted average
TV programmes / video	- Represent the production costs for both in progress and completed. Costs of the programmes/or video 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

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

The Group estimate the measurement of net realisable value of inventories in publication category. The management involved judgement in the classification of inventories based on its distribution channel and future business.

A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(f) Investments

Investments in subsidiaries

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

(g) Leasehold improvements and equipment

Recognition and measurement

Owned assets

Leasehold improvements and equipment are measured 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. 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.

Any gains and losses on disposal of 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 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

No depreciation is provided on assets under construction and installation.

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(h) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on initially generated goodwill and brands, 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, other than goodwill, 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	3 - 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	
Programme licences	2	years
Trademark	3	years

No amortisation is provided on software under development.

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

(i) Contract cost assets

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis.

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(j) 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 goodwill and 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 unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. 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.

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(l) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

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(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed in profit or loss 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 Other Comprehensive Income (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 the benefit of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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.

(n) Share-based payments

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

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The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

(o) 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.

(p) Measurement of fair values

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

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

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 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 or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

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.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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(q) Revenue

Accounting policies for revenue recognition in 2019

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognized in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Advertising revenue

Advertising revenue is recognised when the advertisements are provided.

Commission revenue

For the contracts that the Group is arranging for the provision of the goods or services on behalf of its customers and does not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

Accounting policies for revenue recognition in 2018

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.

Advertising revenue

Advertising revenue is recognised when the advertisements are provided.

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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.

(r) Rental income

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

(s) Investment income

Investment income comprises interest income from investments and bank deposits. Interest income is recognised in profit or loss as it accrues.

(t) Finance costs

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

(u) 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.

(v) 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.

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 goodwill, 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.

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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.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

(w) *Discontinued operations*

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

(x) *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 weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(y) *Related parties*

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(z) *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.

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4 Acquisition of a subsidiary

On 4 April 2018, the Group obtained control of One World Media Co., Ltd., a company operating in providing information services over offline and online media, by acquiring 99.99% of the ordinary shares in the company from existing shareholder. As a result, the Group's equity interest in the company increased to 99.99%.

Taking control of One World Media Co., Ltd. will enable the Group to expand its operating channel from publishing to digital media more streamlined. However, the management has considered to discontinue the operation of One World Media Co., Ltd since December 2019 (see note 10)

During the period from acquisition date to 31 December 2018, One World Media Co., Ltd. contributed revenue of Baht 7.77 million and loss of Baht 70.82 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have not been changed and consolidated loss for the year would have increased by Baht 5.61 million.

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

Consideration transferred

	Fair value <i>(in thousand Baht)</i>
Cash	10,000
Total	10,000

Identifiable assets acquired and liabilities assumed

	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents	8,442
Other receivables	105
Other current assets	15
Equipment	1,266
Deferred tax assets	42
Other non-current assets	194
Short-term loan	(2,881)
Other payables	(363)
Accrued expenses	(1,558)
Other current liabilities	(667)
Non-current provisions for employee benefit	(209)
Total identifiable net assets	4,386
Goodwill arising from the acquisition	5,614
Purchase consideration transferred	10,000

	<i>(in thousand Baht)</i>
Net cash acquired with the subsidiary	8,442
Cash paid	(10,000)
Net cash outflow from acquisition of the subsidiary	1,558

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Goodwill

The goodwill is attributable mainly to the skills and technical talent of One World Media Co., Ltd. work force, and the synergies expected to be achieved from integrating the company into the Group. None of the goodwill recognised is expected to be deductible for income tax purposes (see note 13).

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 0.10 million related to external legal fees. The legal fees have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

5 Related parties

Relationships with subsidiaries are described in note 11. Other related parties that the Group had significant transactions with during the year 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.
<i>Major shareholders</i>		
Silom Road Limited	British Virgin Islands	Major shareholder, 48.13% shareholding, representative director of the Company
Nation Multimedia Group Public Company Limited (*)	Thailand	Major shareholder, 33.05% shareholding, representative director of the Company
Mr. Wanchai Panwichien	Thai	Major shareholder, 22.75% shareholding since 16 August 2019
<i>Other related parties</i>		
Nation Broadcasting Corporation Public Company Limited (*)	Thailand	71.45% shareholding by Nation Multimedia Group Public Company Limited, some common directors
Nation News Network Co., Ltd. (*)	Thailand	99.99% shareholding by Nation Multimedia Group Public Company Limited, some common directors
NML Co., Ltd. (**)	Thailand	99.99% shareholding by Nation Multimedia Group Public Company Limited, some common directors
Kom Chad Luek Media Co., Ltd. (*)	Thailand	99.99% shareholding by Nation Multimedia Group Public Company Limited, some common directors
Krungthep Turakij Media Co., Ltd. (*)	Thailand	99.99% shareholding by Nation Multimedia Group Public Company Limited, some common directors

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Name of the entities	Country of incorporation /nationality	Nature of relationships
Bangkok Business Broadcasting Co., Ltd. (*)	Thailand	99.93% shareholding by Nation Multimedia Group Public Company Limited, some common directors
WPS (Thailand) Co., Ltd. (**)	Thailand	84.50% shareholding by Nation Multimedia Group Public Company Limited, 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 Nation Multimedia Group Public Company Limited, some common directors

(*) Related parties until 16 August 2019

(**) Nation Multimedia Group Public Company Limited disposed NML Co., Ltd., WPS (Thailand) Co., Ltd. and Nation U Co., Ltd. during the year 2018.

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

Transactions	Pricing policies
Sale of goods and rendering of services	General market price
Cost of sale of goods and rendering of services	Negotiable rate which approximates market price
Sale of equipment and intangible assets	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
Distribution costs and administrative expenses	Negotiable rate

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholders				
Sale of goods and rendering of services	-	3,509	-	3,509
Cost of sale of goods and rendering of services	-	5,073	-	4,803
Purchase of equipment	9	306	9	-
Sale of intangible assets	-	7,240	-	7,240
Other income	9	322	9	332
Distribution costs and administrative expenses	481	7,492	71	4,264
Subsidiaries				
Cost of sale of goods and rendering of services	-	-	22	-
Interest income on loan	-	-	4,965	446
Purchases of intangible assets	-	-	821	-
Other income	-	-	12,892	6,936
Distribution costs and administrative expenses	-	-	1,770	880
Other related parties				
Sale of goods and rendering of services	8	3,328	8	3,326
Cost of sale of goods and rendering of services	-	38,523	-	14,281
Sale of equipment	-	31	-	19
Purchase of equipment	-	17	-	17
Other income	98	3,876	98	3,876
Distribution costs and administrative expenses	32	977	32	225
Key management personnel				
Key management personnel compensation				
Wages and salaries	17,501	15,357	17,501	15,357
Defined contribution plan	936	833	936	833
Total key management personnel compensation	<u>18,437</u>	<u>16,190</u>	<u>18,437</u>	<u>16,190</u>

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

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholders	-	25,147	-	25,143
Subsidiary	-	-	-	125
Other related parties	-	9,845	-	9,845
	<u>-</u>	<u>34,992</u>	<u>-</u>	<u>35,113</u>
Less allowance for doubtful accounts	-	(34,899)	-	(35,024)
Net	<u>-</u>	<u>93</u>	<u>-</u>	<u>89</u>
(Reversal of) bad and doubtful debts expense for the year	<u>(34,899)</u>	<u>34,899</u>	<u>(35,024)</u>	<u>35,024</u>

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Other receivable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
Major shareholders	-	14,648	-	14,648
Subsidiaries	-	-	48,845	40,397
Other related parties	-	897	-	768
	-	15,545	48,845	55,813
Less allowance for doubtful accounts	-	(7,047)	(39,506)	(39,023)
Net	-	8,498	9,339	16,790
 (Reversal of) bad and doubtful debts expense for the year	 (7,047)	 7,047	 5,642	 39,023

Loans to related parties

	Interest rate	Separate financial statements			
	At	At			At
<i>Movement of loan</i>	31 December (% per annum)	1 January	Increase (in thousand Baht)	Decrease	31 December
2019					
<i>Short-term</i>					
Subsidiaries	6.20	36,000	87,000	(123,000)	-
Total		36,000			-
Less allowance for doubtful accounts		(33,000)	(25,000)	58,000	-
Net		3,000			-
 2018					
<i>Short-term</i>					
Subsidiaries	6.20	-	37,500	(1,500)	36,000
Total		-			36,000
Less allowance for doubtful accounts		-			(33,000)
Net		-			3,000

	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expense for the year	87,000	33,000

Short-term loans agreements

The Company entered into short-term loans agreements with a subsidiary ("One World Media Co., Ltd.") amounting to Baht 120 million (31 December 2018: Baht 33 million). The loan was promissory note and repayable at call. The loan bears interest rate at the average Minimum Loan Rate (average MLR) of four local financial institutions. At the Board of Directors' meeting held on 17 December 2019, the Board of Directors agreed to forgive the loan and interest with the total amount of Baht 125 million.

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The Company entered into short-term loan agreement with a subsidiary (“Nation Global Edutainment Co., Ltd.”) amounting to Baht 3 million (*31 December 2018: Baht 3 million*). The loan was promissory note and repayable at call. The loan bears interest rate at the average Minimum Loan Rate (average MLR) of four local financial institutions. The Company fully received the loan during the second quarter of 2019.

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties	-	1	-	1
Total	-	1	-	1

Other payables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholders	-	1,325	-	745
Subsidiaries	-	-	1,744	361
Other related parties	-	200	-	197
Total	-	1,525	1,744	1,303

Accrued expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholders	-	51	-	48
Total	-	51	-	48

Significant agreements with related parties

Other agreements

The Company entered into agreements with a subsidiary to rent warehouse spaces with office and inventory management. The Company will receive service fees as specified in the agreements.

The Company entered into agreements with subsidiaries to be granted services in relations to warehouse and human management. The Company committed to pay service fees as specified in the agreements.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	40	90	30	30
Cash at banks - current accounts	348	542	224	274
Cash at banks - saving accounts	12,008	38,613	4,788	33,674
Highly liquid short-term investments (fixed deposit 3 months)	245,003	299,503	245,003	299,503
Total	257,399	338,748	250,045	333,481

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7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within credit terms	5,398	10,592	1,774	6,290
Overdue:				
Less than 3 months	6,965	3,266	4,516	61
3 - 6 months	442	11	-	11
6 - 12 months	270	2,018	-	2,017
Over 12 months	-	32,952	-	33,035
	13,075	48,839	6,290	41,414
Less allowance for doubtful accounts	(663)	(34,972)	-	(35,046)
Net	12,412	13,867	6,290	6,368
(Reversal of) bad and doubtful debts expense for the year	(34,268)	43,505	(35,005)	43,620

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

8 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	-	15,545	48,845	55,813
Other parties					
Other receivables		13	13	13	13
Prepaid expenses		1,156	2,128	697	643
Advances to employees		128	133	128	54
Accrued interest income		260	41	256	41
		1,557	2,315	1,094	751
Total		1,557	17,860	49,939	56,564
Less allowance for doubtful account		-	(7,047)	(39,506)	(39,023)
Net		1,557	10,813	10,433	17,541
(Reversal of) bad and doubtful debts expense for the year		(7,047)	7,047	5,642	39,023

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	<u>14,549</u>	<u>12,484</u>	<u>7,780</u>	<u>4,869</u>
Finished goods recognised as an expense in ‘cost of sale of goods and rendering of services’:				
- Cost of sale of goods	39,394	61,299	20,811	37,229
- Write-down to net realisable value	<u>(131)</u>	<u>1,799</u>	<u>699</u>	<u>1,093</u>
Net	<u>39,263</u>	<u>63,098</u>	<u>21,510</u>	<u>38,322</u>

10 Discontinued operation

At the Board of Directors’ meeting held on 11 November 2019, the Board of Directors approved the discontinue of operation of a subsidiary (“One World Media Co., Ltd.”) and terminate all contracts with all employees. The Company paid the legal compensation to its employees and the unemployment has been effective since December 2019. This segment was not a discontinued operation as at 31 December 2018 and the comparative statement of comprehensive income has been reclassified to present the discontinued operation as a separate transaction from the continued operation.

Results of discontinued operation		Consolidated financial statements	
Year ended 31 December	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
Revenue	20	14,032	7,945
Expenses		<u>(119,408)</u>	<u>(77,412)</u>
Results from operating activities	20	<u>(105,376)</u>	<u>(69,467)</u>
Income tax		<u>(276)</u>	<u>233</u>
Results from operating activities, net of tax		<u>(105,652)</u>	<u>(69,234)</u>
Loss for the year		<u>(105,652)</u>	<u>(69,234)</u>
Loss per share (in Baht)			
Basic and diluted loss per share	27	<u><u>(0.29)</u></u>	<u><u>(0.37)</u></u>

Loss from discontinued operation of Baht 105.65 million (2018: loss of Baht 69.23 million) was attributable entirely to the owners of the Company.

Cash flows from (used in) discontinued operation		Consolidated financial statements	
Year ended 31 December		2019	2018
		<i>(in thousand Baht)</i>	
Net cash from (used in) operating activities		(79,465)	(65,073)
Net cash from (used in) investing activities		(482)	17,186
Net cash from (used in) financing activities		<u>82,060</u>	<u>49,553</u>
Net cash flows from (used in) discontinued operation		<u>2,113</u>	<u>1,666</u>

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The impairment losses of the group of discontinued asset amounting to Baht 30.5 million which is comprising of equipment amounting to Baht 1.7 million and other intangible asset amounting to Baht 28.8 million is recognised as expense which is a part of loss for the year from the discontinued operation in the consolidated statement of comprehensive income for the year ended 31 December 2019.

		Consolidated financial statements
		31 December 2019
Details of group of discontinued assets and liabilities		(in thousand Baht)
<i>Assets</i>	<i>Note</i>	
Cash and cash equivalents		3,779
Current investment		484
Trade and other accounts receivable		1,476
Other current assets		6,888
Other non-current assets		196
Equipment - net depreciation expense and impairment loss	12	-
Other intangible assets - net amortise expense and impairment loss	14	-
Total assets		12,823
<i>Liabilities</i>		
Trade and other accounts payables		(12,824)
Other current liabilities		(182)
Total liabilities		(13,006)
Net liabilities		(183)

11 Investments in subsidiaries

		Separate financial statements
		2019 2018
		(in thousand Baht)
	<i>Note</i>	
At 1 January		46,386 -
Acquisition		1,000 10,000
Addition		- 50,000
Allowance for impairment	10	(46,386) (13,614)
At 31 December		1,000 46,386

Acquisition

2019

At the Board of Directors' meeting of the Company held on 13 December 2018, the Board of Directors approved to establish a company, Street Eyeball Co., Ltd., which has a registered share capital of Baht 1 million (divided into 10,000 ordinary shares at Baht 100 per share) with fully paid-up share capital. The subsidiary registered with the Ministry of Commerce on 3 January 2019.

2018

On 4 April 2018, the Company had acquired in 99.99% of the issued and paid-up capital of One World Media Co., Ltd., which incorporated in Thailand, in the amount of Baht 10 million. One World Media Co., Ltd. thereby became a subsidiary of the Group (see note 4).

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Additions

2018

At the extraordinary meeting of the shareholders of One World Media Co., Ltd. held on 11 May 2018, the shareholders of the subsidiary approved an increase in the registered share capital from Baht 10 million (divided into 100,000 ordinary shares at Baht 100 per share) to Baht 60 million (divided into 600,000 ordinary shares at Baht 100 per share) and paid-up 80% of the increase in registered share capital amounting to Baht 40 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 17 May 2018.

At the Board of Directors' meeting of One World Media Co., Ltd. held on 3 July 2018, the Board of Directors approved an additional call-up 20% of the registered share capital amounting to Baht 10 million. The subsidiary registered the increase in paid-up share capital with the Ministry of Commerce on 25 July 2018.

Impairment testing

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

CGU 1: Investment in Nation Global Edutainment Co., Ltd ("NGE")

Based on the impairment test of the carrying amount of investment in Nation Global Edutainment Co., Ltd., the recoverable amount was based on its value in use, determined by discounting the future cash flows. The carrying amount of investment in NGE was higher than the recoverable amount of Baht 163.41 million. The Company recognised an impairment loss of Baht 163.41 million in separate financial statements for the year ended 31 December 2017 and from the consideration of management as at 31 December 2019 found that there was no change in recoverable amount of such investment. Therefore, no adjustment has been made for the impairment of the investment.

The key assumptions used in the estimation of recoverable amount as at 31 December were as follows:

Key assumptions	Separate financial statements	
	2019	2018
		(%)
Discount rate	9.69	8.53
Terminal growth rate	0.00	0.00

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CGU 2: Investment in One World Media Co., Ltd (“OWM”)

Based on the impairment test of the carrying amount of investment in One World Media Co., Ltd., the recoverable amount was based on its value in use, determined by discounting the future cash flows. The carrying amount of investment in OWM was higher than the recoverable amount of Baht 13.61 million and an impairment loss of Baht 13.61 million was in separate financial statements for the year ended 31 December 2018. However, at the Board of Directors’ meeting held on 11 November 2019, the Board of Directors approved the discontinue operation of OWM and terminate contracts with all employees and pay legal compensation to the employees which effective since December 2019. The Company recognises the impairment loss from the investment in a subsidiary amounting to Baht 46.39 million in the separate financial statements for the year ended 31 December 2019. (see note 10)

The key assumptions used in the estimation of recoverable amount as at 31 December were as follows:

Key assumptions	Separate financial statements	
	2019	2018
	(%)	
Discount rate	-	10.22
Terminal growth rate	-	0.00

The discount rate was a pre-tax measure based on the rate of 10-30 year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of these specific CGU.

These assumptions are based on management of the Company’s judgement, 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 along with sensitivity of key assumptions effect to the recoverable amount.

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Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		(%)						(in thousand Baht)					
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Nation Global Edutainment Co., Ltd.	Importing, publishing and distributing children's books for edutainment	99.74	99.74	200,000	200,000	163,410	163,410	163,410	163,410	-	-	-	-
One World Media Co., Ltd	Providing information service over Offline and online media	99.99	99.99	60,000	60,000	60,000	60,000	60,000	13,614	-	46,386	-	-
(Discontinued at 1 December 2019)													
Street Eyeball Co., Ltd	Representing content producers and advertising	99.98	-	1,000	-	1,000	-	-	-	1,000	-	-	-
Total						224,410	223,410	223,410	177,024	1,000	46,386	-	-

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

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12 Leasehold improvements and equipment

Consolidated financial statements

	Note	Leasehold improvements	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost						
At 1 January 2018		-	6,182	1,200	402	7,784
Additions		6,116	3,465	327	2,352	12,260
Acquisition through business combination	4	-	1,266	-	-	1,266
Transfers		1,254	1,485	-	(2,739)	-
Disposals		-	(3,455)	-	-	(3,455)
At 31 December 2018 and 1 January 2019		7,370	8,943	1,527	15	17,855
Additions		533	1,266	-	1,729	3,528
Transfers		-	15	-	(15)	-
Disposals / written-off		(486)	(2,960)	-	-	(3,446)
At 31 December 2019		7,417	7,264	1,527	1,729	17,937
Depreciation and impairment losses						
At 1 January 2018		-	6,083	580	-	6,663
Depreciation charge for the year		367	525	279	-	1,171
Disposals		-	(3,454)	-	-	(3,454)
At 31 December 2018 and 1 January 2019		367	3,154	859	-	4,380
Depreciation charge for the year		1,503	1,402	306	-	3,211
Impairment loss		-	1,664	-	-	1,664
Disposals / written-off	10	(116)	(2,634)	-	-	(2,750)
At 31 December 2019		1,754	3,586	1,165	-	6,505

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Consolidated financial statements

	Leasehold improvements	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i>Net book value</i>					
At 1 January 2018	-	99	620	402	1,121
At 31 December 2018 and 1 January 2019	7,003	5,789	668	15	13,475
At 31 December 2019	5,663	3,678	362	1,729	11,432

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	Separate financial statements				Total
	Leasehold improvements	Furniture, fixtures and office equipment	Vehicles (in thousand Baht)	Assets under construction and installation	
Cost					
At 1 January 2018	-	3,554	1,200	-	4,754
Additions	6,024	1,964	-	2,352	10,340
Transfers	860	1,477	-	(2,337)	-
Disposals	-	(3,455)	-	-	(3,455)
At 31 December 2018 and 1 January 2019	6,884	3,540	1,200	15	11,639
Additions	533	1,097	-	1,730	3,360
Transfers	-	15	-	(15)	-
At 31 December 2019	7,417	4,652	1,200	1,730	14,999
Depreciation					
At 1 January 2018	-	3,523	580	-	4,103
Depreciation charge for the year	288	176	240	-	704
Disposals	-	(3,454)	-	-	(3,454)
At 31 December 2018 and 1 January 2019	288	245	820	-	1,353
Depreciation charge for the year	1,466	814	241	-	2,521
At 31 December 2019	1,754	1,059	1,061	-	3,874
Net book value					
At 1 January 2018	-	31	620	-	651
At 31 December 2018 and 1 January 2019	6,596	3,295	380	15	10,286
At 31 December 2019	5,663	3,593	139	1,730	11,125

The gross amount of the Group's and the Company's fully depreciated leasehold improvements and equipment that were still in use as at 31 December 2019 amounted to Baht 0.07 million and Baht 0.07 million, respectively (2018: Baht 1.12 million and Baht 0.04 million, respectively).

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13 Goodwill

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January	5,614	-
Acquired through business combination	-	5,614
At 31 December	5,614	5,614
<i>Impairment loss</i>		
At 1 January	5,614	-
Impairment loss	-	5,614
At 31 December	5,614	5,614
<i>Net book value</i>		
At 31 December	-	-

During the year of 2018, the management of the Company believes that the goodwill which arose from the business acquisition of One World Media Co., Ltd., is impaired. Based on the management judgement, the Group recognised impairment loss on goodwill amounting to Baht 5.61 million in the consolidated comprehensive income for the year ended 31 December 2018.

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

14 Other intangible assets

Consolidated financial statements

	Note	Computer programmes and software licences	Licence fees - books	Programme licences <i>(in thousand Baht)</i>	Trademark	Software under development	Total
Cost							
At 1 January 2018		11,125	11,792	1,185	-	-	24,102
Additions		20,491	2,172	304	30,000	5,948	58,915
Disposals		(10,042)	-	-	-	-	(10,042)
At 31 December 2018 and 1 January 2019		21,574	13,964	1,489	30,000	5,948	72,975
Additions		633	3,553	-	-	485	4,671
Transfers		5,173	-	-	-	(5,173)	-
Written-off		(3,215)	(10,538)	-	-	(1,260)	(15,013)
At 31 December 2019		24,165	6,979	1,489	30,000	-	62,633
Amortisation and impairment losses							
At 1 January 2018		1,933	9,078	474	-	-	11,485
Amortisation charge for the year		5,943	2,595	670	5,891	-	15,491
Disposals		(2,850)	-	-	-	-	(2,850)
At 31 December 2018 and 1 January 2019		5,026	11,673	1,144	5,891	-	23,734
Amortisation charge for the year		4,091	2,540	323	8,537	-	15,491
Impairment loss	10	13,217	-	-	15,572	-	28,789
Written-off		(1,243)	(10,537)	-	-	-	(11,780)
At 31 December 2019		21,091	3,676	1,467	30,000	-	56,234

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	Consolidated financial statements				
	Computer programmes and software licences	Licence fees - books	Programme licences (in thousand Baht)	Trademark	Software under development
					Total
<i>Net book value</i>					
At 1 January 2018	9,192	2,714	711	-	12,617
At 31 December 2018 and 1 January 2019	16,548	2,291	345	24,109	49,241
At 31 December 2019	3,074	3,303	22	-	6,399

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Separate financial statements

	Computer programmes and software licences	Licence fees - books	Programme licences <i>(in thousand Baht)</i>	Software under development	Total
Cost					
At 1 January 2018	10,315	3,516	1,185	-	15,016
Additions	-	810	304	2,497	3,611
Disposals	(10,042)	-	-	-	(10,042)
At 31 December 2018 and 1 January 2019	273	4,326	1,489	2,497	8,585
Additions	513	2,088	-	485	3,086
Transfers	2,982	-	-	(2,982)	-
Written-off	-	(2,032)	-	-	(2,032)
At 31 December 2019	3,768	4,382	1,489	-	9,639
Amortisation					
At 1 January 2018	1,123	2,075	474	-	3,672
Amortisation charge for the year	1,893	1,217	670	-	3,780
Disposals	(2,850)	-	-	-	(2,850)
At 31 December 2018 and 1 January 2019	166	3,292	1,144	-	4,602
Amortisation charge for the year	528	1,092	323	-	1,943
Written-off	-	(2,032)	-	-	(2,032)
At 31 December 2019	694	2,352	1,467	-	4,513
Net book value					
At 1 January 2018	9,192	1,441	711	-	11,344
At 31 December 2018 and 1 January 2019	107	1,034	345	2,497	3,983
At 31 December 2019	3,074	2,030	22	-	5,126

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15 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	-	1,525	1,744	1,303
Others					
Other payables		862	5,944	550	5,163
Advance received		535	252	535	252
Payables for purchase leasehold improvements and equipment		-	254	-	1,230
Payables for purchase of other intangible assets		12,624	33,082	29	-
		14,021	39,532	1,114	6,645
Total		14,021	41,057	2,858	7,948

16 Non-current provisions for employee benefit

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Defined benefit plan	11,207	8,598	9,876	6,432
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Defined benefit plan	1,822	(1,525)	2,834	(466)
Recognised in other comprehensive income:				
Actuarial (gain) losses recognised in the year	787	(2,785)	610	(2,701)
Cumulative actuarial losses recognised	8,573	7,786	7,717	7,107

Defined benefit plan

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

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

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<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	8,598	12,721	6,432	9,607
Include in profit or loss:				
Current service cost	2,670	2,022	886	674
Past service cost	2,070	-	1,776	-
Interest on obligation	203	349	172	273
Curtailment gain	-	(3,896)	-	(1,413)
Reversal from discontinued operation	(3,121)	-	-	-
	1,822	(1,525)	2,834	(466)
Include in other comprehensive income:				
Actuarial (gain) loss	787	(2,785)	610	(2,701)
	787	(2,785)	610	(2,701)
Others				
Transfer out	-	(22)	-	(8)
Acquisition through business combination	-	209	-	-
	-	187	-	(8)
At 31 December	11,207	8,598	9,876	6,432

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	21	-	12
Financial assumptions	-	416	-	311
Experience adjustment	787	(3,222)	610	(3,024)
Total	787	(2,785)	610	(2,701)

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act. in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised.

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	1.71	2.89	1.71	2.89
Future salary growth	4.0 - 8.5	4.0 - 8.5	4.0 - 8.5	4.0 - 8.5

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Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 14.4 years (2018: 14.4 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.

Effect to the defined benefit obligation At 31 December	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Discount rate	(643)	(475)	766	554
Future salary growth	788	536	(673)	(470)
Mortality improvement	21	14	(24)	(15)

Effect to the defined benefit obligation At 31 December	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Discount rate	(494)	(298)	593	349
Future salary growth	609	337	(516)	(294)
Mortality improvement	16	8	(18)	(9)

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.

17 Share capital

	Par value per share (in Baht)	2019		2018	
		Number	Amount	Number	Amount
		<i>(thousand shares / in thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	390,549	390,549	259,250	259,250
Reduction of shares	1	-	-	(89,201)	(89,201)
Increase of new shares	1	-	-	220,500	220,500
At 31 December					
- ordinary shares	1	<u>390,549</u>	<u>390,549</u>	<u>390,549</u>	<u>390,549</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	365,549	365,549	170,048	170,048
Exercised of share options	1	-	-	1	1
Issue of new shares	1	-	-	195,500	195,500
At 31 December					
- ordinary shares	1	<u>365,549</u>	<u>365,549</u>	<u>365,549</u>	<u>365,549</u>

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Issue of ordinary shares

During the year 2018, 900 ordinary shares were issued as a result of the exercise of warrant NINE-W1 of the shareholders. The Company registered paid-up resulting from the exercise of warrant with the Ministry of Commerce on 16 July 2018.

Additionally, the extraordinary meeting of shareholders of the Company held on 30 October 2018, the shareholders approved the following matters;

- a) The shareholders approved a reduction of the Company's registered share capital from Baht 259.25 million (divided into 259,250,000 ordinary shares at Baht 1 per share) to Baht 170.05 million (divided into 170,049,286 ordinary shares at Baht 1 per share) by decreasing of 89,200,714 ordinary shares at Baht 1 per share. These are the remaining from the allotment to reserve for an issuance and offering of warrants to the Company's existing shareholders and an issuance to the directors, management and/or employees of the Company and/or its subsidiaries. The Company registered the reduction in registered share capital with the Ministry of Commerce on 8 November 2018.
- b) The shareholders approved an increase of the Company's registered share capital under the specific objective basis by Baht 220.50 million from Baht 170.05 million (divided into 170,049,286 ordinary shares at Baht 1 per share) to Baht 390.55 million (divided into 390,549,286 ordinary shares at Baht 1 per share) to offer to Private Placement as specified in the meeting at Baht 1.40 per share, totalling Baht 308.70 million, which is considered a connected transaction. The increase will be utilised for working capital within the Group by increasing the liquidity and supporting the expansion of the Company's core businesses, as well as investing in related businesses. The Company registered the increase in share capital with the Ministry of Commerce on 9 November 2018. The Company received the paid-up share capital by 195,500,000 ordinary shares, totalling Baht 273.70 million and the Company registered with the Ministry of Commerce on 29 November 2018.

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.

Transaction costs from issue of shares

The incremental cost attributable to the issue of ordinary shares are recognised as a deduction from the premium on those ordinary shares.

18 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

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Description	Details
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%

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.

The expenses for share-based payment transactions for the year ended 31 December 2018 were Baht 0.60 million and Baht 0.60 million for consolidated and separate financial statements, respectively.

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

	Consolidated financial statements / Separate financial statements			
	2019		2018	
	Number of warrant	Grant date fair value (thousand units / in thousand Baht)	Number of warrant	Grant date fair value
At 1 January	-	-	1,538	4,215
Issued warrants during the year	-	-	220	602
Expired warrants	-	-	(1,758)	(4,817)
At 31 December	-	-	-	-

NINE-W1

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.

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

Unexercised warrants as at 1 January 2018	Issued warrants	Exercised warrants (thousand units)	Expired	Unexercised warrants as at 31 December 2018	Exercise price (Baht / share)	Expiry date
84,959	-	1	(84,958)	-	4	11 July 2018

19 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.

20 Segment information and disaggregation of revenue

The Group has two 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 New media

Performance of each reportable segment 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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	Consolidated financial statements				
	New media			Total	
	(Discontinued)			(See note 10)	
	2019	2018	2019	2018	2018
For the year ended 31 December	(in thousand Baht)				
	Publishing and services				
	2019	2018	2019	2018	2018
			(105,376)	(69,467)	(159,861)
	6,187	(90,394)			
Segment profit (loss) before income tax					
Interest income	3,841	3,677	18	23	3,700
Interest expense	561	692	28	15	707
Depreciation and amortisation	6,041	5,337	12,661	10,933	16,270
Other material non-cash items:					
- impairment loss	-	-	30,453	5,614	5,614
Capital expenditures	7,910	15,745	289	56,696	72,441
Segment assets as at 31 December	305,817	390,098	12,823	59,250	449,348
Segment liabilities as at 31 December	31,599	33,075	13,006	42,510	75,585

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	Separate financial statements Publishing and services	
	2019	2018
	<i>(in thousand Baht)</i>	
For the year ended 31 December		
Primary geographical markets		
Thailand	50,883	71,430
Total revenue	50,883	71,430
Major products/service lines		
Books and publishing	26,695	22,641
Others	24,188	48,789
Total revenue	50,883	71,430
Timing of revenue recognition		
At a point in time	50,883	71,430
Total revenue	50,883	71,430

Geographical segments

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

Contract Balances

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
		<i>(in thousand Baht)</i>		
At 1 January 2019	819	-	-	-
Recognised as revenue during the period	14,429	(3,135)	-	-
Advance received	-	3,135	-	-
Transfer to trade account receivables	(15,218)	-	-	-
At 31 December 2019	30	-	-	-

21 Other income

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Central services charge	190	4,233	12,954	11,169
Other services income	1,717	1,828	1,717	1,791
Others	3,876	4,621	577	3,190
Total	5,783	10,682	15,248	16,150

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22 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Personnel	2,786	8,509	2,660	4,645
Marketing	2,076	9,569	2,895	7,852
Others	1,128	3,221	269	3,180
Total	5,990	21,299	5,824	15,677

23 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Personnel	19,982	14,658	16,533	10,424
Management compensation	16,548	12,970	16,548	12,970
Office expenses	13,878	12,753	13,625	8,219
Others	4,845	3,530	3,947	2,815
Total	55,253	43,911	50,653	34,428

24 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Wages and salaries		39,853	39,394	30,869	29,585
Defined contribution plan		1,844	2,257	1,697	1,648
(Reversal of) defined benefit plan	16	2,996	(3,042)	2,662	(739)
Share-based payment transactions	18	-	602	-	602
Voluntary resignation plan		-	11,599	-	5,547
Others		2,618	4,272	7,131	1,800
Total		47,311	55,082	42,359	38,443

At the Board of Directors' meeting of the Company held on 6 September 2018 and 20 December 2018, the Board of Directors approved to pay compensation to its employees in some business units in order to business restructuring of the Group. This responses to the change of publication business to digital media more streamlined.

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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25 Expenses by nature

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

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Changes in inventories		(1,934)	4,367	(3,610)	(262)
Paper, printing service and delivery costs		24,407	26,123	11,795	19,136
Other production expenses		963	5,070	576	4,012
License fees		5,963	4,948	3,432	2,089
Loss on decline in value of inventories	9	(131)	1,799	699	1,093
Employee benefit expenses	24	47,311	55,082	42,359	38,443
Distribution costs		3,204	12,776	3,164	11,021
Office expenses	23	13,878	12,753	13,625	8,219
Others		6,845	5,390	5,948	4,676
Total cost of sales of goods and rendering of services, distribution costs and administrative expenses		100,506	128,308	77,988	88,427

26 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	-	-	-	-
Deferred tax expense				
Movements in temporary differences	(248)	9,092	(461)	7,038
	(248)	9,092	(461)	7,038
<i>Attributable to:</i>				
- Income tax expense from continuing operations	(524)	9,325	(461)	7,038
- Income tax from discontinued operation	276	(233)	-	-
Total income tax expense	(248)	9,092	(461)	7,038

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Consolidated financial statements						
	Before tax	2019 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2018 Tax (expense) benefit	Net of tax
<i>Income tax expense</i>						
<i>Income tax recognised in other comprehensive income</i>						
Defined benefit plan actuarial gains (losses)	(787)	-	(787)	2,786	(557)	2,229

Separate financial statements						
	Before tax	2019 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2018 Tax (expense) benefit	Net of tax
<i>Income tax expense</i>						
<i>Income tax recognised in other comprehensive income</i>						
Defined benefit plan actuarial gains (losses)	(610)	-	(610)	2,701	(540)	2,161

Consolidated financial statements				
<i>Reconciliation of effective tax rate</i>	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		(99,189)		(159,861)
Income tax using the Thai corporation tax rate	20	(19,838)	20	(31,972)
Expenses not deductible for tax purposes		25,666		2,732
Expenses for tax incentives		(22)		(3)
(Reversal of) temporary differences for which no deferred tax assets was recognised		(2,802)		6,738
Recognition of previously unrecognised tax losses		(8,780)		-
Current year losses for which no deferred tax assets was recognised		5,252		22,815
Reversal from previously recognised deferred tax expense		276		8,782
Total	0.25	(248)	(6)	9,092

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Reconciliation of effective tax rate

	Separate financial statements			
	2019	2018		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Loss before income tax expense		(131,525)		(146,780)
Income tax using the Thai corporation tax rate	20	(26,305)	20	(29,356)
Expenses not deductible for tax purposes		25,117		1,930
Expenses for tax incentives		(13)		-
(Reversal of) temporary differences for which no deferred tax assets was recognised		(4,494)		22,881
Current year losses for which no deferred tax assets was recognised		5,234		4,640
Reversal from previously recognised deferred tax expense		-		6,943
Total	0.35	(461)	(5)	7,038

Deferred tax
At 31 December

	Consolidated financial statements			
	Assets	Liabilities		
	2019	2018	2019	2018
		(in thousand Baht)		
Total	1,968	1,719	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	1,968	1,719	-	-

Deferred tax
At 31 December

	Separate financial statements			
	Assets	Liabilities		
	2019	2018	2019	2018
		(in thousand Baht)		
Total	1,747	1,286	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	1,747	1,286	-	-

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

	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
		(in thousand Baht)		
Deferred tax assets				
2019				
Provisions	1,719	249	-	1,968
Total	1,719	249	-	1,968

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Consolidated financial statements					
(Charged) / Credited to:					
	At	Profit or	Other	Acquired in	At
Deferred tax	1 January	loss	comprehensive	business	31 December
			income	combination	
			(in thousand Baht)		
2018					
Deferred tax assets					
Trade accounts receivable	1,273	(1,273)	-	-	-
Inventories	1,876	(1,876)	-	-	-
Provisions	2,544	(310)	(557)	42	1,719
Loss carry forward	5,633	(5,633)	-	-	-
Total	11,326	(9,092)	(557)	42	1,719

Separate financial statements				
(Charged) / Credited to:				
	At	Profit or	Other	At
Deferred tax	1 January	loss	comprehensive	31 December
			income	
			(in thousand Baht)	
2019				
Deferred tax assets				
Provisions	1,286	461	-	1,747
Total	1,286	461	-	1,747

2018				
Deferred tax assets				
Trade accounts receivable	132	(132)	-	-
Inventories	1,178	(1,178)	-	-
Provisions	1,921	(95)	(540)	1,286
Loss carry forward	5,633	(5,633)	-	-
Total	8,864	(7,038)	(540)	1,286

Unrecognised deferred tax assets	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	(in thousand Baht)			
Trade accounts receivable	133	7,210	-	7,016
Other receivables	-	1,409	7,901	7,805
Short-term loans to related party	-	-	-	6,600
Inventories	2,817	3,739	1,919	2,463
Investment in subsidiaries	-	-	44,682	35,405
Goodwill	1,123	1,123	-	-
Loss carry forward	79,092	83,817	14,390	10,273
Total	83,165	97,298	68,892	69,562

The tax losses expire in 2020 - 2024. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

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27 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2019 and 2018 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

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	Consolidated financial statements					
	2019		2018			
	Continued operation	Discontinued operation	Total (in thousand Baht)	Continued operation	Discontinued operation	Total
Profit (loss) attributable to ordinary shareholders of the Company	6,702	(105,652)	(98,950)	(99,674)	(69,234)	(168,908)
Number of ordinary shares outstanding at 1 January	365,549	365,549	365,549	170,048	170,048	170,048
Effect of shares issued	-	-	-	18,211	18,211	18,211
Weighted average number of ordinary shares outstanding (basic)	365,549	365,549	365,549	188,259	188,259	188,259
Earnings (loss) per share (basic) (in Baht)	0.02	(0.29)	(0.27)	(0.53)	(0.37)	(0.90)

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	Separate financial statements	
	2019	2018
	<i>(in thousand Baht / thousand shares)</i>	
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(131,064)</u>	<u>(153,817)</u>
Number of ordinary shares outstanding at 1 January	365,549	170,048
Effect of shares issued	-	18,211
Weighted average number of ordinary shares outstanding (basic)	<u>365,549</u>	<u>188,259</u>
Earnings (loss) per share (basic) <i>(in Baht)</i>	<u>(0.36)</u>	<u>(0.82)</u>

Diluted earnings (loss) per share

The Group and the Company did not assumed the conversion of the warrants (NINE-W1) and the warrants issued to the directors, management and/or employee of the Company and/or its subsidiaries (NINE-WA) in the calculation of diluted earnings (loss) per share, as the exercise prices (including fair value of services to be rendered per warrant) were higher than the weighted average market prices in the consolidated and separate financial statements for the year ended 31 December 2018 and the Company's warrants expired at 11 July 2018.

28 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 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 and also monitors the level of dividends to ordinary shareholders.

Foreign currency risk

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

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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.

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.

29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Capital commitment</i>				
<i>Contracted but not provided for:</i>				
Computer programmes and				
Software licences	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within 1 year	5,531	6,050	5,531	4,795
1 - 5 years	<u>4,231</u>	<u>12,165</u>	<u>4,231</u>	<u>8,169</u>
Total	<u>9,762</u>	<u>18,215</u>	<u>9,762</u>	<u>12,964</u>
<i>Other commitment</i>				
Bank guarantees	<u>110</u>	<u>10</u>	<u>110</u>	<u>10</u>

A subsidiary entered into an agreement with a local company whereby a local company granted the right in respect of the use of trademark to the subsidiary for the period of 3 years, commencing from 31 May 2018 to 31 May 2021. Under the term of agreement, the subsidiary committed to share revenue from the right of trademark at the rate as specified in the agreement. As at 31 December 2019, a subsidiary discontinued the operation (see note 10) and this agreement is under discussion upon cancellation.

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30 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initially adopted, and will become effective for the annual financial statements in periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The Group has made a preliminary assessment of the potential impact of adopting and initially applying TFRS 9 on the consolidated and separate financial statements and expects that there will be no material impact on the financial statements in the period of initial application.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 29. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

The Group sub-leases some of its properties as disclosed in Note 5. Currently, the head lease and sub-lease contracts were classified as operating leases and recognised lease income and payment in profit or loss on a straight-line basis over the term of the leases. Under TFRS 16, the right-of-use assets recognised from the head leases are presented in investment property and measured at fair value method. The Group reassess the classification of sub-leases and expects that they will reclassify as finance leases, resulting in recognition of finance lease receivables.

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Transition

The Group plans to apply TFRS 16 initially on 1 January 2020, using the modified retrospective approach. Therefore, the cumulative effect of adopting TFRS 16 will be recognised as an adjustment to the retained earnings at 1 January 2020, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 January 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

	Consolidated financial statements 2020	Separate financial statements 2020
<i>Statement of financial position</i>		
<i>At 1 January</i>		
	<i>(in thousand Baht)</i>	
Increase in right-of-use assets	8,195	8,195
Other current assets	2,229	2,229
Increase in lease liabilities	7,219	7,219
Other current liabilities	37	37
Decrease in retained earnings	303	303

31 Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation in the 2019 financial statements as follows:

	2018					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>					
<i>Statement of financial position</i>						
Trade accounts receivable	12,790	1,077	13,867	6,332	36	6,368
Other current liabilities	(2,101)	(1,077)	(3,178)	(1,496)	(36)	(1,532)
		<u>-</u>			<u>-</u>	



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