

ANNUAL REPORT 2020



Nation International
Edutainment Public Co., Ltd.





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.

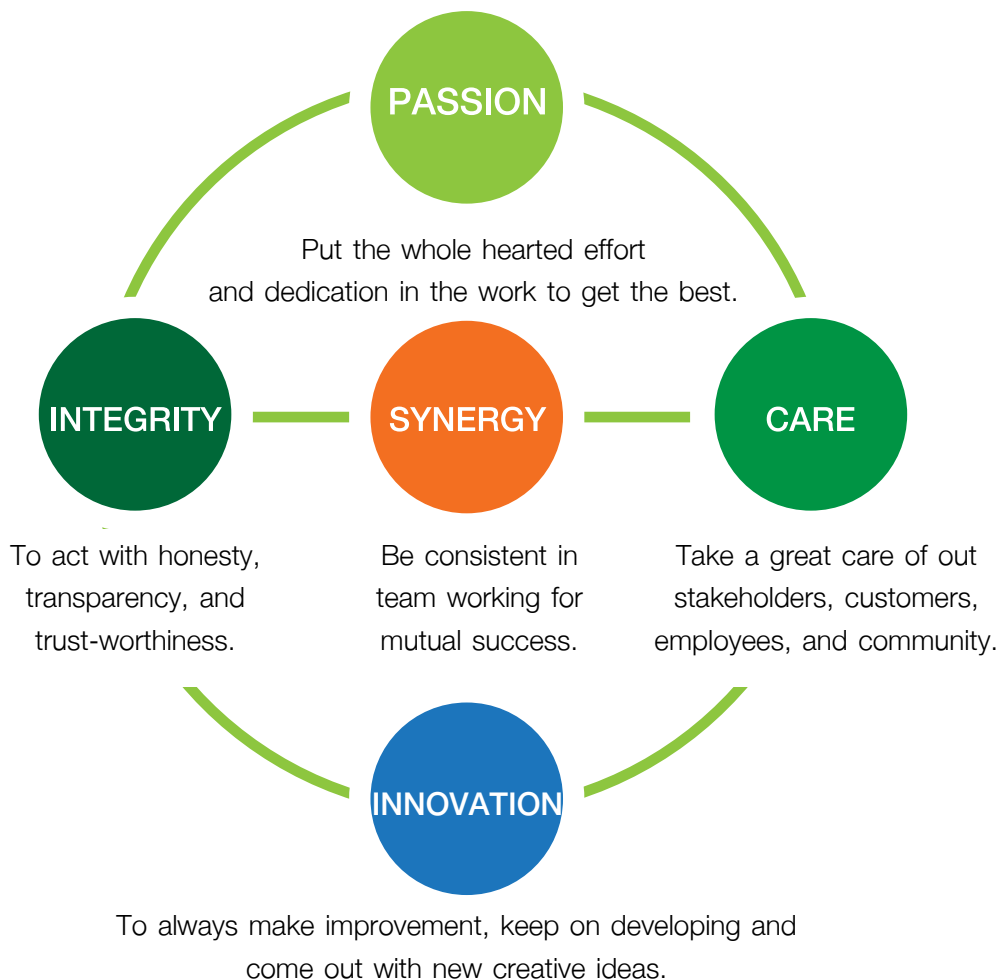
Mission

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



Content

| | |
|------------------------------------------------------|----|
| General Information | 04 |
| Summary of Financial Data and Investments | 05 |
| Message from Chief Executive Officer | 07 |
| Board of Directors and Management Team | 08 |
| Business Group Structure | 16 |
| Characteristics of the Business | 17 |
| Core Business | 18 |
| Industry and competition | 23 |
| Risk Factors | 26 |
| List of Major Shareholders | 33 |
| Corporate Governance Report | 34 |
| Internal Control and Risk Management | 66 |
| Social Contribution Activities 2019 | 68 |
| Audit Committee's Report for The Year 2019 | 69 |
| Report of Responsibilities of The Board | 71 |
| The Results of the Consolidated Financial Statements | 72 |
| Other Reference Persons | 73 |
| Financial Statement | 74 |



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) 2091-5900 |
| Fax | (66) 2091-5928 |
| Registered Capital | Baht 390,549,286 |
| Paid-up Capital | Baht 365,549,286 |

The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2020)

| Company Name / Address | Business | % of Holding | Registered Capital | Paid-up Capital |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|--------------------|-----------------|
| Nation Global Edutainment Co., Ltd. 333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choei- phuang, 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 Choei- phuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 | Publishing (Free Sheet) | 99.99 | 60,000,000 | 60,000,000 |
| Landy Development Co., Ltd. 1 Kaow pullsup Building1,Soi ladprao19, Ladprao Road, Chomphol Sub-district, Chatuchak District, Bangkok 10900 | Office Rental | 63.76 | 40,000,000 | 40,000,000 |
| Trans.Ad Solutions Co.,Ltd. 349, SJ Infinite One Business Complex, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900 | Multimedia Display System | 18.35 | 49,046,400 | 49,046,400 |

Note :

- 1) One World Media Co., Ltd ceased its commercial operations since December 2019.
- 2) The Board of Directors' Meeting No. 5/2020 held on April 16, 2020 approved the acquisition of 90,000 shares of Trans.Ad Solutions Co., Ltd. ("Trans.Ad") with a par value of Baht 100 per share. As a result, NINE held 18.35% of total issued and outstanding shares of Trans.Ad.
- 3) The Board of Directors' Meeting No. 9/2020 held on November 9, 2020 approved the acquisition of 2,550,400 shares of Landy Development Co., Ltd. ("Landy") with a par value of Baht 10 per share. As a result, NINE held 63.76% of total issued and outstanding shares of Landy.
- 4) Street Eyeball Co., Ltd. registered the liquidation with the Ministry of Commerce on November 24, 2020 and the liquidation process was completed on December 4, 2020.

Summary of Financial Data and Investments

(Unit: in Million Baht)

| 1. Data from Consolidated Financial Statements | | 2020 | 2019 | 2018 |
|--------------------------------------------------|--|---------|----------|---------|
| • Sales and Service Income | | 72.21 | 56.32 | 80.41 |
| • Total Revenues | | 80.57 | 65.94 | 94.77 |
| • Gross Profit Margin | | 18.70 | 17.06 | 17.32 |
| • Profit (loss) before income tax expense | | (29.84) | 6.19 | (90.39) |
| • Net Profit (Loss) from continuing operations | | (26.38) | 6.71 | (99.72) |
| • Net Profit (Loss) from discontinued operations | | - | (105.65) | (69.23) |
| • Total Assets | | 379.88 | 318.64 | 449.35 |
| • Shareholders' Equity | | 309.65 | 274.04 | 373.76 |

| 2. Financial Ratios | | 2020 | 2019 | 2018 |
|------------------------------------------------------------------------------|------|---------|----------|----------|
| • Total Debts to Equity | เท่า | 0.23 | 0.16 | 0.20 |
| • Gross Profit Margin | % | 25.90 | (36.08) | (34.56) |
| • Net Profit on Total Revenues | % | (32.74) | (123.72) | (164.48) |
| • Return on Equity | % | (9.04) | (30.55) | (52.13) |
| • Return on Total Assets | % | (7.55) | (25.77) | (43.85) |
| • Basic and diluted profit (loss) per share from continuing operations | Baht | (0.07) | 0.02 | (0.53) |
| • 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 | 0.85 | 0.75 | 1.02 |

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 |
| Landy Development Co., Ltd. | 40.00 | 63.76 |

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 Chief Executive Officer Nation International Edutainment Public Company Limited

Dear Shareholders,

In 2020, the Company has been facing many challenges by uncertain economic, social, and environmental conditions as well as technology disruption. The Coronavirus outbreak (COVID-19) is also another big effect to the overall economy since the beginning of the year. Therefore, we have to strengthen our business strategy and operation in order to ensure that we can run our business under these situations.

We have also set a priority on sustainable business development in three dimensions based on the concept of sustainable business – Environmental, Social and Governance (ESG) with the management of risks that may arise.

We have established business strategies and continually prepared the necessary infrastructure for the coming challenges. In 2020, the Company has operated under the following key strategies:

1. Cost management by sourcing new printing houses with competitive prices and quality. This includes production planning in line with the sales plan to reduce inventory problems.
2. Develop a warehouse system to support the expanding e-commerce and consistent with sales strategies that focus on the online platform.
3. Collaborating with partners and other organizations to strengthen the business by producing products related to the business that we have licenses, such as “Slam Dunk” T-shirts to be sold at BTS Phra Khanong to create customer experiences before making decision.
4. Launching sub-brands to penetrate into new target group, i.e. NED Pastel, NB Horrors, NB Lite and NB Money Club.

In addition, for cash and risk management, we have invested in ordinary shares in two companies, which are Landy Development Co., Ltd. and Trans.Ad Solution Co., Ltd. Both companies have a strong growth prospects and fundamentals. We expect that this investment will give us higher return.

However, the publishing industry still faces many challenging trends. We will continue to focus on the existing business by more selective in new books and concentrate on selling through the online platforms, which are our e-commerce website (nejavu.com) and market place i.e. Shopee and Lazada. In addition, we will focus on customer service to provide better services to our customers and continuously create a good experience for them.

Finally, I would like to thank all stakeholders for their continued trust and support to the Company, which are shareholders, directors, executives, and employees. This resulted in the performance of the Company continuously improving.



Voraphot Chanyakomol
Chief Executive Officer (Acting)



Board of Director

Mr. Voraphot Chanyakomol

Position Director and Chief Financial Officer

Age 53 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) 2020

-N/A-

No. of Shares Held as at December 30, 2020

Mr. Voraphot Chanyakomol - shares

Relationship with NINE's Executive

-N/A-

Experience

| | |
|--------------------|-------------------------------------------------------------------------------|
| Feb 2018 - Present | Director and Chief Financial Officer Nation International Edutainment Plc. |
| Nov 2020 - Present | Acting Executive Officer Nation International Edutainment Plc. |

Director of Other Listed Company

| | |
|---------------------|----------------------------------------------------------------------------|
| May 2015 - Feb 2018 | Director and Chief Financial Officer U City Plc. |
| Feb. 2020 - Present | Independent Director and Chairman of The Audit Committee Master Ad Plc. |

Director of Other Non - Listed Company

| | |
|--------------------|------------------------------------------------|
| 2018 - Present | Director - Nation Global Edutainment Co., Ltd. |
| 2018 - Present | Director - One World Media Co., Ltd. |
| 2019 - 2020 | Director - Street Eyeball Co., Ltd. |
| Dec 2020 - Present | Director - Landy Development 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 2020

| Holding the post of the Company's Director as at December 31, 2020 | Meeting Attendance in 2020 | |
|--------------------------------------------------------------------|----------------------------|-----|
| | Board of Directors | AGM |
| 2 Years 10 Months (Appointed as a director since Feb. 27, 2018) | 11/11 | 1/1 |



Board of Director

Mrs. Suparanan Tanviruch

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

Age 54 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, 2020

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.

2018 - Present Advisor BTS Group Holding Plc.

2016 - 2018 Chairman of Executive Board and Chief Executive Officer
Master Ad Plc.

2008 - 2016 Chief Financial Officer - VGI Plc.

Director of Other Non - Listed Company

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 2020

| Holding the post of the Company's Director as at December 31, 2020 | Meeting Attendance in 2020 | | |
|--------------------------------------------------------------------------|----------------------------|-----|-----|
| | Board of Directors | AC | AGM |
| 1 Year 11 Months (Appointed as a director since Jan. 21, 2019) | 11/11 | 5/5 | 1/1 |



Board of Director

Mr. Phanwarit Martmuang
Position Independent Director and
Member of The Audit Committee
 Age 48 years

Education Background

- Bachelor of Arts, Bansomdej Chaopraya Rajabhat University

Training Course(s) 2019

KPMG

- Are you ready for Thailand's Transfer Pricing Law?

No. of Shares Held as at December 30, 2020

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

May 2018 - Present

Director
 Bangkok Dec-Con Plc.

2002 - 2015

Senior Creative Production & Design Manager
 VGI 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 2020

| Holding the post of the Company's Director as at December 31, 2020 | Meeting Attendance in 2020 | | |
|--------------------------------------------------------------------------|----------------------------|-----|-----|
| | Board of Directors | AC | AGM |
| 2 Year 10 Months (Appointed as a director since Feb. 27, 2018) | 11/11 | 5/5 | 1/1 |



Board of Director

Mr. Stephen Joseph Camilleri

Position Independent Director and Member of The Audit Committee

Age 57 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) 2020

KPMG

- Are you ready for Thailand's Transfer Pricing Law?

No. of Shares Held as at December 30, 2020

Mr. Stephen Joseph Camilleri - 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

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 2020

| Holding the post of the Company's Director as at December 31, 2020 | Meeting Attendance in 2020 | | |
|--------------------------------------------------------------------|----------------------------|-----|-----|
| | Board of Directors | AC | AGM |
| 2 Year 10 Months (Appointed as a director since Feb. 27, 2018) | 10/11 | 5/5 | 1/1 |



Board of Director

Mr. Rashane Leerabandhu

Position Director

Age 61 years

Education Background

- LL.B. (Thammasat University, Bangkok)
- LL.M. (London University - London School of Economics)

Training Course(s) 2020

Thai Institute of Directors Association

-N/A-

Training Course(s) 2020

-N/A-

No. of Shares Held as at December 30, 2020

Mr. Rashane Leerabandhu - shares

Relationship with NINE's Executive

- N/A -

Experience

- Mar. 2020 - Present Director and Executive Director
- Nation International Edutainment Plc.

Director of Other Listed Company

-N/A-

Director of Other Non - Listed Company

- Sep. 2016 - Present Creative Production & Design Director
- 2011 - Present Partner - DFDL, Bangkok, Thailand
- Mar. 2020 - Present Director - Nation Global Edutainment Co., Ltd
- Mar. 2020 - Present Director - One world Media Co., Ltd
- Mar. 2020 - 2020 Director - Street Eyeball Co., Ltd
- Nov. 2020 - Present Director - Landy Development 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 2020

| Holding the post of the Company's Director as at December 31, 2020 | Meeting Attendance in 2020 | |
|--------------------------------------------------------------------|----------------------------|-----|
| | Board of Directors | AGM |
| 10 Month (Appointed as a director since Mar. 3, 2020) | 8/8 | 1/1 |



Management Team

Ms. Thitagan Thana-Olarn

PositionVice President - Business Development

Age 57 years

Education Background

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

Training Course(s) 2020

- N/A -

No. of Shares Held as at December 30, 2020

- N/A -

Relationship with NINE's Executive

- N/A -

Experience

2006 - Present

Vice President - Business Development
Nation International Edutainment Plc.

The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders 1/1



Management Team

Mrs. Tientara Deshjamroen

Position Assistant Vice President

- Accounting & Financing

Age 42 years

Education Background

- BA Accounting, Bangkok University

Training Course (s) 2020

- Discrepancies of accounting and tax and updates on tax issues and related new laws for 2020.
- Guidelines for the preparation of financial reports of companies affected by the COVID19 incident by the SET
- Casual discussion on accounting and analysis of financial statements.
- Smart fscomp training

No. of Shares Held as at December 30, 2020

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 Assistant Vice President
- Marketing & Sale Senior Manager**

Age 46 years

Education Background

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

Training Course (s) 2020

- N/A -

No. of Shares Held as at December 30, 2020

Ms. Natchanan Charoenpathrakiat - shares (0.00%)

Relationship with NINE's Executive

- N/A -

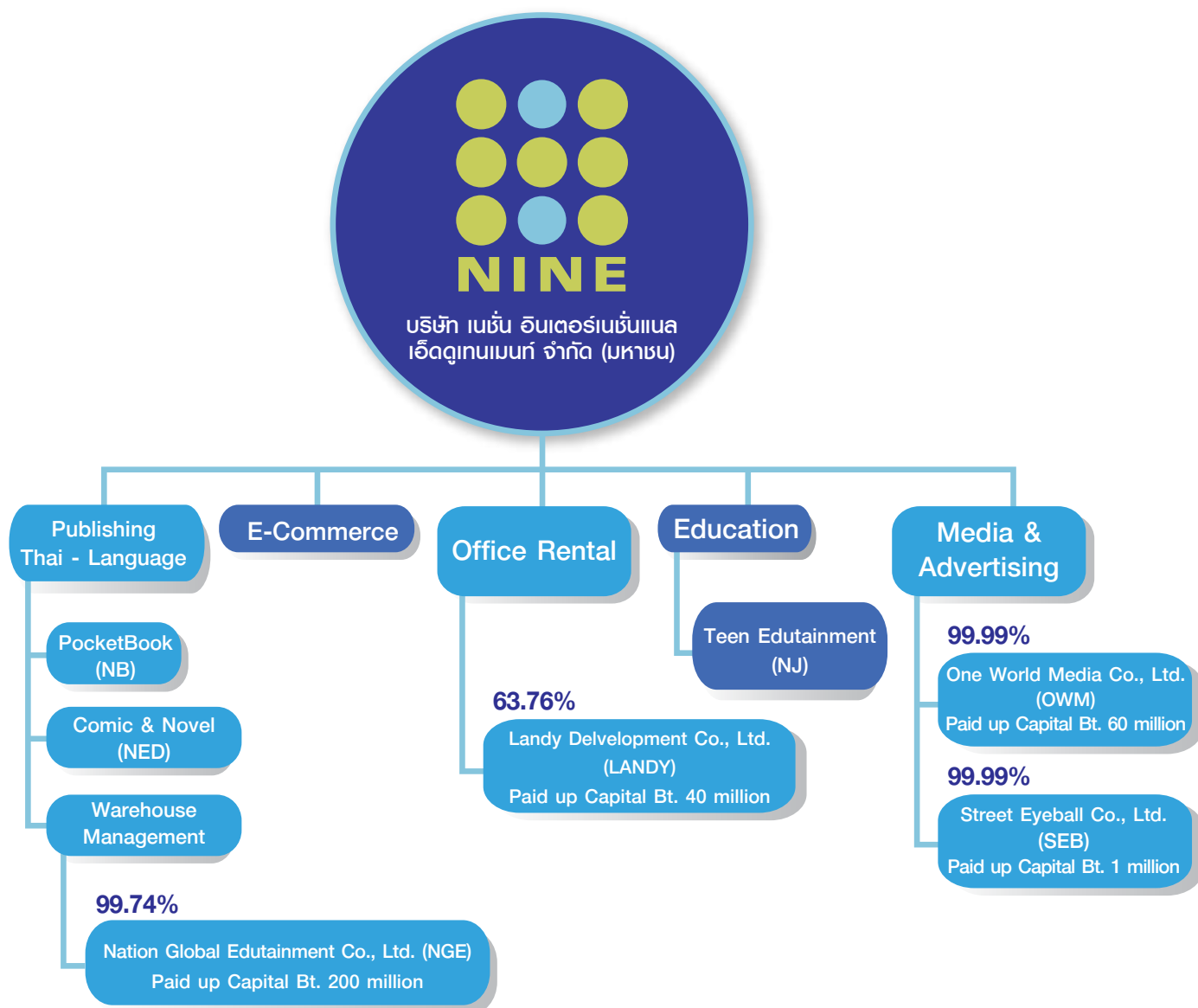
Experience

| | |
|------------------|--------------------------------------------------------------------------------------|
| 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 2020



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 | 2020 | | 2019 | | 2018 | |
|----------------------------------------------------------------------|-------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | | Amount | % | Amount | % | Amount | % |
| 1. Publishing Business | | | | | | | |
| 1.1 Production and selling of pocket books | NINE | 14.89 | 18.48 | 16.86 | 25.57 | 18.13 | 19.13 |
| 1.2 Production and selling of children printing | NGE | 27.34 | 33.93 | 27.15 | 41.18 | 29.25 | 30.86 |
| | NINE | 11.54 | 14.32 | 1.11 | 1.68 | - | - |
| 1.3 E-commerce | NINE | 18.44 | 22.89 | 10.13 | 15.36 | 1.94 | 2.05 |
| 2. Foreign printing agent business and related services ^A | NINE | - | - | - | - | 27.27 | 28.77 |
| 3. Education | | | | | | | |
| 3.1 English learning / TV Programs and new media | NINE | - | - | - | - | 1.69 | 1.78 |
| 3.2 English learning - E-book (NJ) | NINE | - | - | 1.07 | 1.62 | 2.13 | 2.25 |
| 4. Office Rental | NINE | 1.68 | 2.09 | - | - | - | - |
| 5. Other income ^B | | 6.68 | 8.29 | 9.62 | 14.59 | 14.36 | 15.15 |
| Total income | | 80.57 | 100.00 | 65.94 | 100.00 | 94.77 | 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.

Core Business

Book Publishing and E-Book



1. Pocket Books

Business operations are carried out under the widely and well-known publisher named “Nation Books”. It produces and distributes quality pocket books, both in print and e-book formats, and has created trust and earned popularity among mass readers over the past years. Its pocket books have a strong presence in leading bookstores, various book fairs and events, NINE’s owned e-commerce site at www.nejavu.com, and e-book platforms such as MEB, Ookbee and Google Play.

The Company is granted the copyrights from famous local and international writers and publishers to publish and distribute their masterpieces covering various areas such as (i) administration and management, which contents and topics are including economics, finance, investment, accounting, marketing, taxation and business law, (ii) languages and learning, which contents are related to linguistic skill development and aptitude test, (iii) general with variety contents covering readers’ interests in broaden areas e.g. lifestyles, celebrity life, and health and (iv) literature and fiction, which are translated books.

Best sellers by Nation Books in 2020 were Leader Shift, Late Bloomer, Stress Zero, Answer Game, Think like a Rocket Scientist, etc.

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





2. Comics and Fictions

Business operations are carried out by Nation International Edutainment Plc. ("NINE") and Nation Global Edutainment Co., Ltd. ("NGE"). They are publishers and distributors of children entertainment such as comics and fictions, both in print and e-book formats, by making available in the Company's e-commerce site, bookstores and e-book platforms e.g. MEB, Ookbee and Google Play. Its key target reader groups are teenagers and working people between the ages of 12-35 years old. They focus on highly popular comics and fictions, which copyrights are obtained from leading local and Japanese publishers, such as, Shueisha, Shogakukan, Kodansha, Kadokawa Shoten, Futabasha, Akita Shoten and Coamix.

At present, popular titles among readers are Naruto, Bleach, One Punch Man, Platinum End, Boruto, JoJo, JoJoLion, Jojonium, Master Keaton, Death Note Pocket Edition, Blue Exorcist, Doraemon, Crayon Shin Chan, One Punch Man. Other popular titles are, Slam Dunk, Dragon Ball Super, Hunter X Hunter, 20th Century Boy, Pokemon Special, Dragon Ball, Claymore., etc.



ธุรกิจสิ่งพิมพ์และหนังสืออิเล็กทรอนิกส์



In addition, NGE also operates warehouse and inventory management and product distribution for itself and partners, where the Company acts as a center hub in selling and distributing the Japanese comics, novels and licensed merchandise via NINE's owned e-commerce site at www.nejavu.com to enhance customers' experiences in terms of value, entertainment and service quality and to synergize the partners' strategies and strengths in terms of variety and experience sharing in order for improvement and development of Thai comics industry.

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





3. E-Commerce Business

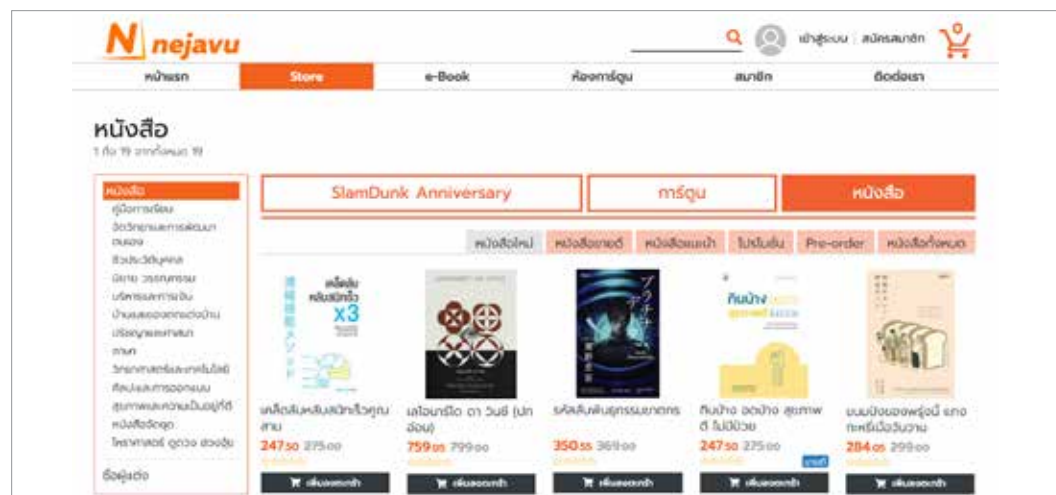
Nature of this business is to sell and distribute the products via the Company's owned e-commerce site, namely www.nejavu.com. This e-commerce site is applied and based on point-of-sale system which allows stock monitoring in real-time. The Company continuously develops its e-commerce site and online payment system with the aim to create good experience and satisfaction to the customers. With respect to the payment system, the Company currently appoints 2C2P to be a payment service provider. This system of 2C2P is certified and met the highest global security standards. It accepts various alternative payments. Furthermore, the Company has many communication channels, such as Facebook, Fanpage and Line@, to support the sale channels and to facilitate the customers in case where a problem is occurred, or the product is interesting. The Company prioritizes after sale service and the customers' recommendations. These are the key factors to make and maintain the repeat customers.

Books, whether pocket books or comics, that sold and distributed by the Company have various contents, depending on reader's preference. They can be categorized as follows:

- Pocket books: psychology and self-development, personal biography, fiction, literature, management, investment, health and well-being and others;
- Comics: sports, comedy, investigations, fantasy, action-adventure, sci-fi, science, light novels, and others, as well as being distributed as a collection for readers who want to collect or give it as a gift.

Moreover, the Company plans to sell its partners' licensed merchandise through its e-commerce site as well.

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



Teen Edutainment



The Company operates the business of producing English learning materials in a modern format and releasing them through various digital media channels e.g. YouTube Channel and Facebook Fanpage. In addition, the Company provides a preparation guideline for admission examination by gathering lessons and practice tests called “NJ Admission”. However, due to the change of technology, resulting to the consumers having a variety of choices and being able to access other media easily, in 2020, the Company decided to cease this business unit since the operation cost was quite high causing worthlessness operation.

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

Media and Advertising Business



The Company used to operate the business of media agency and contents producing for various platforms through Street Eye Ball Co., Ltd. (“SEB”). However, to reduce the operation costs, including audit fee, SEB had ceased its business operation and had completely registered for winding up since December 4, 2020. Winding this subsidiary up will not affect the Company’s business operation in any way.

Office Rental Business



In December 2020, the Company entered into an acquisition transaction by purchasing 63.76% of total issued ordinary shares of Landy Development Co., Ltd. (“LANDY”), a company engaging in office rental business. The head office and office building for rent is located at No. 1 Soi Ladprao 19, Ladprao Road, Chomphol, Chatuchak, Bangkok 10900. It is an 8-storey concrete building with a usable area of approximately 9,368 square meters on the land of 389.50 square meters.

The Board of Directors’ meeting of the Company on February 22, 2021 has passed a resolution approving the sale of all ordinary shares of LANDY held by the Company. Later, the sale of LANDY’s ordinary shares has been completed on March 1, 2021. Consequently, LANDY ceased to be the Company’s subsidiary and the operation of the Company’s office rental business was ceased accordingly.

Industry and competition

Industry and competition in the publishing business

Publishing Industry in 2020 and Trend in 2021

The publishing industry in 2020 changes obviously and rapidly. The key accelerating factor is the COVID-19 pandemic, which is an unprecedented global crisis and causing severe damage to the economy and society. Especially, restriction measures on population movement, social distancing and limitation of accessing the public areas (lockdown) require businesses to make urgent adjustments by turning to online channels to support the business.

The publishing business is directly impacted from the temporary close of bookstores whose locations are in department stores and retail bookshops. This results to the change of readers' behavior by shifting to online channels more rapidly from which previously is under pressure from technology disruption factors for some time. This impact could be seen from the permanent closure of many bookstores and publishing houses in the past few years. All players, therefore, have accelerated adapting themselves for keeping up with the situation, especially speeding up promotions to boost sales through online channels while everything slows down.

The Publishers and Booksellers Association of Thailand (PUBAT) predicts that without any government support measures, the sales of the book industry in 2020 would drop to Baht 1.2 billion from Baht 1.8 billion in 2019. However, the tax deduction measure for book purchases would help increase book sales in 2020 by 10-20 percent.

The Company is aware of the changes of technology and consumers' behavior. It, then, has adjusted its strategies, starting with mindset adjustment by considering the occurrence of technology advancement as an important business growth opportunity. The Company analyzes its strengths and weaknesses to develop online distribution channels with the aim to simply reach consumers. The Company also re-imaged, developed internal processes to create customers' satisfaction, and built the brand more clearly.

We have established business strategies and continually prepared the necessary infrastructure for the coming challenges in 2021 as follows:

1. Efficient cost management by sourcing new printing houses with competitive prices and quality and production planning to be in line with the sales plan to reduce the number of inventories.

2. Developing a warehouse system to support the expansion of e-Commerce business, which is consistent with sales strategies that focus on the online platform.
3. Collaborating with partners and other organizations to strengthen the business by producing products related to comic business that we have licenses, such as “Slam Dunk” T-shirts to be sold at BTS Phra Khanong to create customer experiences before buying decision.
4. Launching sub-brands to penetrate into new target group, which would make the preparation of marketing plan to be easier, e.g. NED Pastel, NB Horrors, NB Lite and NB Money Club.

Industry and Competition in e-Commerce Business

Despite a recession economy in 2020, which has a great impact on consumers’ purchasing decisions for goods and services, e-Commerce business still continue its growth every year. Reflecting on the value of online shopping business, it increased by 35% with a value of Baht 220,000 million or accounting for 4-5% of total Thai retail industry. Compared with the same period last year, online shopping had a value of Baht 163,300 million or equivalent to 3% of total Thai retail industry. (Source: Priceza Co., Ltd., 2020)

Proportion of Thai people purchasing products from e-Marketplace, which added social media to the platform such as chat feature that allows the conversation between seller and buyer before making any purchase, live commerce, is increased. In addition, the growth of e-Marketplace proportion is from running business at a loss by online retailers and the regular arrangement of Double Day activities including campaigns and games to attract shoppers to access the platforms. For social media platforms, even its proportion is dropped, the value still grew, especially the sale of products be means of live commerce.

In addition, COVID-19 pandemic has speeded up the adoption of digital technologies by developing online channels for business survival. Many businesses have adjusted their marketing strategies to allow the consumers to purchase products through online channels more easily such as the 48th National Book Fair in the past April, which the Publishers and Booksellers Association of Thailand (PUBAT) has organized the bookfair via online channel for the first time at www.thaibookfair.com due to the spread of disease.

The Company always gives an important on e-Commerce business to support the distribution of the Company’s owned e-books and the partners’ products. The Company distributes the products through its owned e-Commerce site, namely www.nejavu.com and other online channels. Furthermore, the Company has established the intensive marketing through social media network, and has created a service culture to achieve the entrusted impression to the customers for the assurance in quality products and after sales service in terms of product delivery, 30-day return guarantee policy, and secure and comprehensive payment systems, as well as other systems in future. This would create brand awareness to and repeated purchase by the customers.

Industry and Competition in Office Rental Business

The situation for office rental business in 2020 continues to expand, but in a slowing pace condition. Rental rates are not significantly different from the previous year although there are significant changes in terms of space utilization, declining in consumer confidence index in the retail market as a result of the COVID-19 pandemic and political situation. These factors will affect the investment decisions to expand office space in 2020 - 2021. In the first nine months of this year, occupancy rate only increased by 21,000 square meters, while the same period of last year, it was increased by 128,000 square meters. (Source: CBRE, 2020)

In addition, social distancing measures by working from home during COVID-19 pandemic led many companies revising their workplace strategy, in which some of them began to change working process and place within the organization. Due to the change of working behavior and the economic factor, many tenants reduce their office space size, especially in grade B office buildings which location is outside central business district (CBD) rented by the tenants who are more sensitive to rental rate. However, the expansion of the mass transit system and urban development have made office buildings located outside the CBD with good quality and lower rental rate compared to the CBD office buildings are more interesting.

The market situation of office rental business should be monitored continuously as there would be office space for rental at approximately 1.8 million square meters coming into the market in the next 5 years. This would result to the increase of bargaining power of the tenants in the future once considering together with the economic situation in 2021 which is expected to recover slowly.

With the good location, which is only 100-meters to Lat Prao MRT station and connected to mass transit systems, the Company firmly believes that its office building is very attractive for company that looking for office space with a good facility at reasonable rental rate.

Risk factors

The Company realizes the importance of Good Corporate Governance is to maximize the benefits for our shareholders. The Company has, therefore, implemented the risk management policy together with strategic management policy in order to operate the business under market uncertainty. These could enable the Company to grow sustainably under the acceptable risks. However, there are still potential risk factors affecting the Company and stakeholders that should be taken into consideration as follows:

Publishing Business

1. Operational risk

1.1 Risks of Fire, Flood, and other Natural Disaster Risks for Warehouse

The Company's warehouse is to store our printing products, located at Bangna-Trad Km.10 Road. This warehouse is managed systematically and safety from both the external environment and floods that may incurred.

To protect the business interruption that may occurred from natural disasters or uncontrollable circumstances, the Company has insured the insurance policy to cover damages against assets and products. Third-party insurance has also covered in this policy. In addition, the Company has installed fire extinguishers covering all areas and on storage racks. Fire training practice is scheduled in annually. Also, the inspection and improvement in electrical equipment shall be carried out for ready-to-use regularly to minimize the unexpected risks that may occur.

1.2 e-Commerce Risk

In the past, the Company encountered e-Commerce problems on inventory management and delivery of products to the customers. This reflected to the lack of confidence and reputation for the Company. However, currently, the Company has solved the problems and improved the e-Commerce systems and operations by launch the new e-commerce website named www.nejavu.com. This new website is 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 and customer can know the product available on shelf. This will also help the Company to prevent shipping mistakes. The 2C2P system, the highest security international standards, is used for payment system in this e-Commerce website. Therefore, we are confident that both inventory management and payment system will increase the operations efficiency to serve the customer's satisfactions.

1.3 Human Resource Risk

To sustainable growth in business, managing the human resource is another key factor. Our human resource management is to periodically educate and train our staffs in order to catch up the changing in business and technology. The organization restructuring, including clearly define the job responsibilities, is also adjusted to match the operation and increase our competitiveness. The Company

is, therefore, confident that this management and restructuring will support the group operations to grow steadily in the long term.

In the past, the Company faced with 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 Inventory Risk

Currently, the Company's publications have been distributed through distributors primarily. The Company 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 Company 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 24-month slowing-moving inventory is considered the net value to be received from the discounting sales by 75% and the more than 36-month slowing-moving inventory is considered the net value to be received from the discounting sales by 98%.

Besides, to downsize the inventories, the Company 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 Company 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 Company 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

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 directors to oversee the operations of the management and look after the interests of the minority shareholders.

2. Business Risk

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 Company 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 Company 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 in the near future.

2.2 Sale and 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 Distribution Risks

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 Center, 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. 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 do not 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 Copyright Risk

In the publishing business, the Company 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 Company breaches the contract and/or encountered financial problems and/or adjudicated to be bankrupt. Therefore, the Company may be at risk of failure of procuring the targeted copyrights for production and distribution. Besides, the Company 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 Company.

However, the Company 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 Company has been of a good relationship with many famous writers and publishers, and continuous accomplishment of production and distribution of print media. So, the Company 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 Company 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 Company plan is to produce books in various categories from different writers from many countries in order to lower down the copyright ownership risks. Contents from Thai writers are also increased in our portfolio. So, these diversifications will help us to limit copyright risk in acceptable level.

2.5 Illegal Website Risk

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 Company 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 Company 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 Trust of Website Risk

It is 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 2020, the Company will continue to improve the website and backyard system. By improving weaknesses to give the best experience for customers 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 is important, thereby resulting in the entrusted feeling of customers as it is an important variable for customer's repeated purchase.

3. Financial Risk

3.1 Credit Risk

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 is 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. Therefore, the risk of capital management is low.

4. Production Risk

4.1 Risk of Non-complying and Late Delivery

Because of the absence of own printing houses, publication and production, therefore, the Company are required to be undertaken by other printing houses 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 to produce books. If any of them does not meet the production capacity and quality, it will be replaced by others. 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 cost control.

5. Risks of Office Rental Businesses

5.1 Economic Risk

An overview of the office market in Bangkok, it is the least affected market compared to other sectors. Although the office market has been affected by the epidemic of COVID-19, but the impact is not immediately recognized. If the epidemic situation has not improved, the office market may be affected as well as other businesses. The spread of the COVID-19 could affect to more than 6.5 million people unemployed, resulting in many tenants who are affected continuously. Thus, the business



may be shut down and have to terminate the lease or downgrade the area in order to reduce costs, so that it can sustain the business.

However, the effects are in short-term. In addition, the office market is considered less risky than other real estate businesses, because it generates recurring income, not one-shot sales. So, there is an opportunity to increase income continuously in the future when the situation has fully recovered.

5.2 Risk of Unexpected Return

In the year 2020, the risks of the office rental business do not affect the occupancy rate of the Koa Poon Sup Building. As the building space for rent of 4,847.67 sq.m., still has approximately 85% of rentable area.

However, there are only 3 major tenants. Therefore, if one of the tenants terminates the lease, it could have a significant impact for income. However, the Company think that it should not affect in the long term because this building located in good location with highly rental demand and easy to access to MRT Lad-Prow. So, it is considered as a promising area for future investment.

List of Major Shareholders

Name of top ten shareholders as of December 30, 2020 at closing book dated:

| No. | Name | Shares | % Total Share |
|-----|----------------------------------------|--------------------|---------------|
| 1. | Silom Road Limited | 175,950,000 | 48.13 |
| 2. | Thai NVDR Co., Ltd. | 76,834,225 | 21.02 |
| 3. | Mr. Wanchai Pienvichien | 42,911,000 | 11.74 |
| 4. | Mr. Viroj Tangjetanaporn | 19,550,000 | 5.35 |
| 5. | Mr. Anurit Kerdsinchai | 17,350,000 | 4.75 |
| 6. | Mr. Sombat Panichewa | 6,000,000 | 1.64 |
| 7. | KIM ENG SECURITIES (HONG KONG) LIMITED | 3,106,672 | 0.85 |
| 8. | Mr. Voraphot Amnueypol | 1,500,000 | 0.41 |
| 9. | Mrs. Suchanut Kerdsinchai | 1,490,000 | 0.41 |
| 10. | Mr. Sakunthon Jungrungreangkit | 1,264,000 | 0.35 |
| | Other | 19,593,389 | 5.35 |
| | 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 | 888 | 186,430,136 | 51.00 |
| Foreign Shareholder | 8 | 179,119,150 | 49.00 |
| Total of Shareholders | 896 | 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 2020, 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 2020, 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. Currently in process of renewal the membership of CAC.

In 2020, 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 2020

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 2020, 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 2020, the Company held the 2020 Annual General Meeting under the situation of the Corona Virus Infection 2019 (COVID-19) outbreak on June 30, 2020. the Meeting Room on 39th floor, Sun Towers Building B No. 123 Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok with registration started at 13.00 hrs. 6 Directors and 45 shareholders and proxies carrying 195,571,644 out of 365,549,286 distributed shares or 53.50 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 1, 2019 to January 24, 2020. 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 January 30, 2020.

Before the 2020 AGM, the Company solicited shareholders to send in their questions in advance through the Company's website and Fax at 02-091-5928 from May 29, 2020 to June 12, 2020 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 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 2020 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 2020, 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 by considering the suitability and selecting activities that can meet the needs of each customer group through various media, both online and offline. Examples include organizing on-stage activities at a book fair and providing a meeting between authors and readers for question-and-answer session. As the COVID-19 pandemic in 2020, the company needs to reduce offline activities. In addition, the Company still has public relations for customers via Facebook and www.nejavu.com.

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., 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.

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 2020, 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 2020, the Company organized training for 13 employees, representing 26% of the total of 51 employees (average number of employees over the 12-month period). Training hours amounted to 142.50 hours in total or an average of 2.79 hours / person / year. Some 100% of the training was undertaken at training institutions or external agencies and 0% 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 2020, the Company organized the CSR activities. (For detail, see Corporate Social Responsibility)

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 2020 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. : 02-091-5900

Fax : 02-091-5928

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 2020, the composition of the Company's Board of Directors featured five directors – three independent directors, two directors who served as an executive in NINE and its subsidiaries, and none 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. 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 2020. 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 2020 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. In case the meeting is held the Electronic Meeting, such meeting shall be proceeded in accordance with the criteria and methods specified by law.

Usually, each Board meeting takes a few hours. The Chairman of the Board offers a chance to all directors 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 and there was one forum for discussion without presence 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 2020, 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 2020. The Secretary submits the SET's Evaluation Form to the Board of Directors and Audit Committee for evaluation. The evaluation form must be returned within January 15, 2021 in order to finalize scores and announce the results to the Board of Directors and the Audit Committee at the meeting 1/2021 on February 2021.

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 2020 and 2019 were as follows:

| Director / Position | Remunerations 2020 | | | | Remunerations 2019 | | | |
|-------------------------------------|--------------------|-------------------|----------|--------------------|--------------------|-------------------|----------|--------------------|
| | Remuneration | Meeting Allowance | Others | Total | Remuneration | Meeting Allowance | Others | Total |
| Chairman: | | | | | | | | |
| - Mr. Pana Janviroj | 300,000.- | - | - | 300,000.- | 400,000.- | - | - | 400,000.- |
| Non-Executive Directors: | | | | | | | | |
| - None - | - | - | - | - | - | - | - | - |
| Chairman of Audit Committee: | | | | | | | | |
| - Mrs. Suparanan Tanviruch | 400,000.- | - | - | 400,000.- | 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.- |
| - Mr. Viroj Tangjettanaporn | 33,333.- | - | - | 33,333.- | 200,000.- | - | - | 200,000.- |
| - Mr. Viroj Tangjettanaporn | 166,667.- | - | - | 166,667.- | - | - | - | - |
| Total | 1,700,000.- | - | - | 1,700,000.- | 1,900,000.- | - | - | 1,900,000.- |

Note: The committees' remuneration shall be in the line with annual remuneration for the year 2020 as approved by the 2020 Annual General Meeting's resolution on June 30, 2020; the committees' remuneration shall be paid on quarterly basis.

Development of Directors and the management

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

The Board of Directors encourages and supports every Director to attend seminars and training in order to increase their performance efficiency. NINE has a policy of encouraging Directors to participate in seminars and training on various subjects, held by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand or any other institutes, on specific duty development and responsibility of a Director, or innovated trends of management so that they may develop and improve their performance and apply knowledge gained to improve their performance continuously for the Company's benefits. In 2020, the following directors were encouraged to join the trainings;

| No. | Name | Position | Training Course(s) 2020 |
|-----|------------------------------|--------------------------------------------------------|---------------------------------------------------------------------|
| 1 | Mr. Phanwarit Martmuang | Independent Director and Member of the Audit Committee | KPMG • Are you ready for Thailand's Transfer Pricing Law? |
| 2 | Mr. Stephen Joseph Camilleri | Independent Director and Member of the Audit Committee | KPMG • Are you ready for Thailand's Transfer Pricing Law? |

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 two 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

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

| No. | Name | Position |
|-----|--------------------------|----------------------------------------------------------------------|
| 1 | Mr. Voraphot Chanyakomol | Chairman of Executive Committee (Acting) and Chief Financial Officer |
| 2 | Mr. Rashane Leerabandhu | Executive Director |

Note : 1. At the Board of Directors' Meeting No. 3/2020 held on March 2, 2020, appointed Mr. Rashane Leerabandhu be Director to replace Mr. Viroj Tangjetanaporn, resigned Director of the Company.

2. At the Board of Directors' Meeting No. 10/2020 held on November 24, 2020, appointed Mr. Voraphot Chanyakomol be Chairman of Executive Committee (Acting) to replace Mr. Pana Janviroj, resigned Director of the Company.

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.

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.

3.2 Recruitment of Directors and Top Executives

The Company place importance to the person who is the executive or the director of the Company. Therefore, it has determined a policy of nomination and remuneration to guide the selection of the appropriate persons to serve such position in accordance with the Corporate Governance Policy. The Company has the process of recruitment the executives or the directors of the Company through the Board of Directors, which considers the selection of qualified, experienced, potential, and experienced persons related to the Company's business operations in order to set the Company's policies.

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 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 proposed to the company during the period determined by the company which will be at least 3 months prior to the Annual General Meeting of Shareholders, together with information on the qualifications and the consent of the nominated person.

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

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

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

Nomination of Top Executives

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

4. Compliance with Corporate Governance of its subsidiaries

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

In 2020, 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.

In this regard, the directors, executives, officers, and employees of the Group of Companies, who are in the department of the Group that has received internal information of the Group, will not be trading the securities of the Company during the period of 1 month prior to the disclosure of the financial statements to the public.

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 2020, 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 2020 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, 2019 and December 31, 2020 as follow:-

| No. | Name | Number of Shares | | | | |
|-----|---------------------------------|------------------|---------------|--------------------------------------------------------------|------------------------------------------------|-------|
| | | Dec. 31, 2020 | Dec. 31, 2019 | No. of shares increase (decrease) during the period (shares) | Company's holding ratio (%) As of Dec.31, 2019 | Notes |
| 1 | Mrs. Suparanan Tanviruch | - | - | - | - | - |
| 2 | Mr. Phanwarit Martmuang | - | - | - | - | - |
| 3 | Mr. Stephen Joseph Camilleri | - | - | - | - | - |
| 4 | Mr. Voraphot Chanyakomol | - | - | - | - | - |
| 5 | Mr. Rashane Leerabandhu | - | - | - | - | - |
| 6 | Ms. Thitagan Thana-Olarn | - | - | - | - | - |
| 7 | Ms. Natchanan Charoenpathrakiat | - | - | - | - | - |
| 8 | Mrs. Tientara Deshjamroen | 500 | 500 | - | - | - |

Notes :

1. Paid shares as of December 31, 2020 of NINE is 365,549,286 shares
2. The total number of shares which the spouse and underage child. (if any)

6. Remuneration of the Auditor

6.1 Audit Fee

The company and its subsidiaries paid the audit fees to EY Office Limited in the past fiscal year, totally amounted of THB 1,450,000.

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 2020, the company held the Board of Directors' Meeting, the Audit Committee's Meeting, and the Shareholders' Meeting as detailed below.

| No. | Director | Number of attendances/Number of meetings | | |
|-----|-------------------------------------------------------------------------------|------------------------------------------|-----------------|-----|
| | | 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) | 11/11 | - | 1/1 |
| 3. | Mrs. Suparanan Tanviruch (Appointed as a director since Jan. 21, 2019) | 11/11 | 4/4 | 1/1 |
| 4. | Mr. Phanwarit Martmuang (Appointed as a director since Feb. 27, 2018) | 11/11 | 4/4 | 1/1 |
| 5. | Mr. Stephen Joseph Camilleri (Appointed as a director since Feb. 27, 2018) | 10/11 | 4/4 | 1/1 |
| 6. | Mr. Rashane Leerabandhu (Appointed as a director since Mar. 2, 2020) | 8/8 | - | 1/1 |

Note: In 2020, there were 11 meetings of the Board of Directors and 5 meetings of the Audit Committee. Mr. Pana Janviroj resigned from the position of the Chairman of the Board of Directors and the Chief Executive Officer on November 12, 2020. Mr. Rashane Leerabandhu was appointed as a new director pursuant to the resolution of the Board of Directors' Meeting No. 3/2020 held on March 2, 2020.

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. 1/2021, all three members of the Audit Committee attended the meeting on February 11, 2021. 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 2020

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 2020, 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:

“Deliver knowledge for autistic children”

The NINE in collaboration with Autism Thai Foundation on the project to education for caregivers and teachers of autistic children by delivering the book namely “Autism is not difficult to understand” It is given to 500 teachers and schools throughout Thailand from 1 Dec 2019 - 31 Jan 2020.

“11th Edition of The Book for The Heart”

On January 23, 2020, Nation Books published to join with Chulalongkorn University Book Center, Bodindecha School (Sing Singhaseni), Nation Multimedia Group Public Company Limited and Sataporn Books Publishing, the ceremony was held to deliver books

and educational equipment to Baan Thai Samakkhi School, Sa Kaeo Province on Thursday, January 23, 2020, at the front of the Library and The BD Book Network Center.

“The 12th Book Alms Offering”

Chulalongkorn University Book Center in collaboration with Wat Rama 9, Kanchanaphisek and the Chulalongkorn Property Management Office organized the activity for the Buddhists to join in making merit for alms to new books and four to one for monks and novices Educators at Phrapariyatidhamma School, number 62, on January 9, 2020 at the front of the Chamchuri Square Building, Chulalongkorn.



Audit Committee's Report For the Year 2020

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 2020, the Audit Committee arranged five 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 2020, 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. 1/2021 on February 11, 2021 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 2020, 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 2020, 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 2021, 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 2020 to propose to the Board of Directors to subsequently propose it for approval by the 2020 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 EY Office Limited. as an auditor of the Company : Mr. Supachai Phanyawattano Certified Public Accountant Registration No. 3930 Miss Krongkaew Limkittikul Certified Public Accountant Registration No.5874 or Mr. Natthawut Santipet Certified Public Accountant Registration No. 5730 to act as the auditor of the Company and Subsidiaries' for the year 2019 with the annual audit fees of Baht 1,500,000

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, 2020, 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 2020

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, 2020. 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.



Voraphot Chanyakomol
Chief Executive Officer (Acting)

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 2020 represented a loss of Baht 26.38 million. Compared to the same period of 2019, the loss was Baht 98.94 million, a decrease of 73.34%. The Company would like to clarify significant changes in the Group's operating results as follows:

1. Revenues for the year ended 31 December 2020 were Baht 72.21 million. Compared to the same period of 2019, revenues were 56.31 million, an increase of 28.24%. The main reasons were:

- Total revenue from circulation sale was Baht 67.34 million, an increase of 24.44% from the same period of 2019. The revenue of pocket books, comics and licensed merchandise were of Baht 13.03, 53.81 and 0.5 million, respectively. The increase in revenue was from the company's new products and more titles published comparing to the previous year.
- Revenue from rendering services was Baht 4.87 million, increased 121% from high numbers of e-books sold.

2. Cost of goods sold and expenses for the year ended 31 December 2020 were Baht 109.09 million. Compared to the same period of 2019, cost of goods sold and expenses were 59.19 million, an increase of 84.3%. The main reasons were:

- Cost of goods sold was Baht 53.51 million, an increase of 36% from first copy cost of new book titles and increased in provision of possible obsolete stocks.
- Administrative expenses were Baht 50.13 million, a decrease of 9.27% from lower costs of employee benefits in subsidiary company that ceased commercial operation in November 2019.
- In 2019, there was Baht 41.31 million a reversal of allowance for doubtful accounts, but there was no reversal of allowance for doubtful accounts in 2020.

Conclusion :

The Group reported a net profit for the year ended 31 December 2020, representing a loss of Baht 26.38 million. Compared to the same period of 2019, the loss was Baht 98.94 million, a decrease of 73.34%

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. Mr. Supachai Phanyawattano Certified Public Accountant Registration No. 3930 or
2. Miss Krongkaew Limkittikul Certified Public Accountant Registration No.5874 or
3. Mr. Natthawut Santipet Certified Public Accountant Registration No. 5730

EY Office Limited.

193/136-137 Lake Rajada Office Complex, 33 Floor, Ratchadaphisek Rd, Khlong Tan Nuea, Khlong Toei, Bangkok 10110

Tel : (66) 2264-9090

Fax : (66) 2264-0789

Audit Fee

1. The audit fee of the Company and subsidiaries for the year 2020 is Bt 1,450,000
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

Tel : (66) 2634-4995-7

Fax : (66) 2238-2574, (66) 2634-4998

Investor Relations

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

Tel : (66) 2091-5900

Fax : (66) 2091-5928

Email : investor@nine.co.th

Website : <http://www.nine.co.th>



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

Report and consolidated financial statements
31 December 2020



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ชั้น 33 อาคารเอกรังสรรค์
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
จ.ป.บ. 1047 กรุงเทพฯ 10501
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Independent Auditor's Report

To the Shareholders of Nation International Edutainment Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Nation International Edutainment Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Nation International Edutainment Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nation International Edutainment Public Company Limited and its subsidiaries and of Nation International Edutainment Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

The key audit matters and the audit procedures performed in response to each matter are described below.

Revenue recognition

Sales and service income is significant to the financial statements, having direct impact on the operating result of the Group. Therefore, I determined that the recognition of sales and service income is a key audit matter, with emphasis on accuracy and completeness of the items recorded in the account.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and expanding the scope of the testing of the internal controls with respect to revenue recognition
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the reporting period
- Sending out a confirmation letter of accounts receivable balance as at the end of the reporting period
- Reviewing credit notes that the Group issued after the period-end
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers
- Considering the appropriateness of assumptions that the Group uses to record provision for sale return and right of return asset.



Allowance for diminution in inventory value

The disruption of publishing business has resulted from larger involvement of online media in the industry. There is thus a risk with respect to the amount of the allowance for diminution in value of inventories. The basis for determining allowance for diminution in inventory value, as disclosed in Note 10 to the financial statements, relies on significant management judgment and estimates made based on the experience of the management. Therefore, this matter is determined as a key audit matter.

I assessed the methods and assumptions applied by the management in determining such allowance by gaining an understanding of the criteria used in determining the allowance, random testing the item in inventory aging report and net realisable value with related documents, recalculating net realisable value of inventory balance to ensure the correctness, and reviewing the appropriateness of assumptions made by the Group to estimate the allowance for diminution in inventory. In addition, I performed assessment of the Group's future operation plan and analysis of past trends, as well as compared allowance for diminution in inventory value with available data of similar industries.

Other Matter

The consolidated financial statements of Nation International Edutainment Public Company Limited and its subsidiaries and the separate financial statements of Nation International Edutainment Public Company Limited for the year ended 31 December 2019 were audited by another auditor who, under her report dated 7 February 2020, expressed an unmodified opinion on those financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

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



When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.



As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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



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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

I am responsible for the audit resulting in this independent auditor's report.

Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 11 February 2021

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2020

(Unit: Baht)

| | <u>Note</u> | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--------------------------------------|-------------|------------------------------------------|--------------------|--------------------------------------|--------------------|
| | | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 173,940,351 | 257,398,645 | 129,702,699 | 250,045,396 |
| Trade and other receivables | 9 | 67,473,778 | 15,515,196 | 73,193,235 | 18,033,616 |
| Inventories | 10 | 15,088,731 | 15,030,586 | 8,051,353 | 7,981,949 |
| Other current assets | | <u>8,694,681</u> | <u>9,009,259</u> | <u>1,609,512</u> | <u>1,572,947</u> |
| Total current assets | | <u>265,197,541</u> | <u>296,953,686</u> | <u>212,556,799</u> | <u>277,633,908</u> |
| Non-current assets | | | | | |
| Investments in subsidiaries | 11 | - | - | 70,008,480 | 1,000,000 |
| Investment property | 12 | 72,412,172 | - | - | - |
| Leasehold improvements and equipment | 13 | 8,751,725 | 11,432,125 | 8,506,078 | 11,125,193 |
| Right-of-use assets | 17 | 12,656,786 | - | 12,656,786 | - |
| Intangible assets | 14 | 7,390,370 | 6,398,765 | 6,176,807 | 5,126,166 |
| Deferred tax assets | 23 | - | 1,968,001 | - | 1,747,427 |
| Other non-current financial assets | 15 | 11,709,480 | - | 11,709,480 | - |
| Other non-current assets | | <u>1,765,534</u> | <u>1,887,055</u> | <u>1,693,535</u> | <u>1,689,255</u> |
| Total non-current assets | | <u>114,686,067</u> | <u>21,685,946</u> | <u>110,751,166</u> | <u>20,688,041</u> |
| Total assets | | <u>379,883,608</u> | <u>318,639,632</u> | <u>323,307,965</u> | <u>298,321,949</u> |

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

Nation International Edutainment Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 31 December 2020

(Unit: Baht)

| | <u>Note</u> | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---------------------------------------------|-------------|------------------------------------------|-------------------|--------------------------------------|-------------------|
| | | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 16 | 34,194,393 | 27,152,052 | 15,479,761 | 11,265,332 |
| Current portion of lease liabilities | 17 | 3,352,037 | - | 3,352,037 | - |
| Income tax payable | | 557,802 | - | - | - |
| Provision for sale return | 18 | 5,360,685 | 1,523,972 | 4,699,441 | 734,637 |
| Other current liabilities | | <u>2,670,730</u> | <u>4,213,796</u> | <u>2,463,618</u> | <u>3,843,377</u> |
| Total current liabilities | | <u>46,135,647</u> | <u>32,889,820</u> | <u>25,994,857</u> | <u>15,843,346</u> |
| Non-current liabilities | | | | | |
| Lease liabilities, net of current portion | 17 | 9,683,113 | - | 9,683,113 | - |
| Provision for long-term employee benefits | 19 | 12,194,720 | 11,207,122 | 10,752,182 | 9,875,859 |
| Other non-current liabilities | | <u>2,217,990</u> | <u>507,351</u> | <u>170,000</u> | <u>160,000</u> |
| Total non-current liabilities | | <u>24,095,823</u> | <u>11,714,473</u> | <u>20,605,295</u> | <u>10,035,859</u> |
| Total liabilities | | <u>70,231,470</u> | <u>44,604,293</u> | <u>46,600,152</u> | <u>25,879,205</u> |

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

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

| | | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---------------------------------------------------|-------------|------------------------------------------|----------------------|--------------------------------------|----------------------|
| | <u>Note</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 390,549,286 ordinary shares of Baht 1 each | | <u>390,549,286</u> | <u>390,549,286</u> | <u>390,549,286</u> | <u>390,549,286</u> |
| Issued and fully paid up | | | | | |
| 365,549,286 ordinary shares of Baht 1 each | | <u>365,549,286</u> | <u>365,549,286</u> | <u>365,549,286</u> | <u>365,549,286</u> |
| Share premium | | <u>342,646,051</u> | <u>342,646,051</u> | <u>342,646,051</u> | <u>342,646,051</u> |
| Retained earnings (deficits) | | | | | |
| Appropriated - statutory reserve | 20 | <u>10,650,000</u> | <u>10,650,000</u> | <u>10,650,000</u> | <u>10,650,000</u> |
| Deficits | | <u>(448,972,340)</u> | <u>(444,734,784)</u> | <u>(442,137,524)</u> | <u>(446,402,593)</u> |
| Equity attributable to owners of the Company | | <u>269,872,997</u> | <u>274,110,553</u> | <u>276,707,813</u> | <u>272,442,744</u> |
| Non-controlling interests of the subsidiaries | | <u>39,779,141</u> | <u>(75,214)</u> | <u>-</u> | <u>-</u> |
| Total shareholders' equity | | <u>309,652,138</u> | <u>274,035,339</u> | <u>276,707,813</u> | <u>272,442,744</u> |
| Total liabilities and shareholders' equity | | <u>379,883,608</u> | <u>318,639,632</u> | <u>323,307,965</u> | <u>298,321,949</u> |

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

 Directors

Nation International Edutainment Public Company Limited and its subsidiaries
Statements of comprehensive income
For the year ended 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------|---------------------|--------------------------------------|----------------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Profit or loss: | | | | | |
| Continued operation | | | | | |
| Revenues | | | | | |
| Sales and service income | 21 | 72,211,464 | 56,316,628 | 38,073,499 | 26,835,941 |
| Other income | | | | | |
| Management income | | - | - | 7,367,117 | 12,954,131 |
| Others | | 6,841,334 | 5,783,786 | 4,501,523 | 2,293,565 |
| Total revenues | | 79,052,798 | 62,100,414 | 49,942,139 | 42,083,637 |
| Expenses | | | | | |
| Cost of sales and services | | 53,509,079 | 39,263,217 | 31,992,262 | 21,509,929 |
| Selling and distribution expenses | | 5,579,393 | 5,990,207 | 5,215,006 | 5,824,241 |
| Administrative expenses | | 50,128,770 | 55,253,428 | 46,796,702 | 50,671,990 |
| Reversal of allowance for expected credit losses | 9 | (123,675) | - | (11,964,544) | - |
| Doubtful accounts (reversal) | | - | (41,314,647) | - | 57,618,032 |
| Impairment loss on investments | | - | - | - | 46,385,838 |
| Total expenses | | 109,093,567 | 59,192,205 | 72,039,426 | 182,010,030 |
| Profit (loss) from operating activities | | (30,040,769) | 2,908,209 | (22,097,287) | (139,926,393) |
| Finance income | | 1,517,467 | 3,840,596 | 1,490,320 | 8,799,250 |
| Finance cost | | (1,322,511) | (560,984) | (1,135,465) | (397,665) |
| Profit (loss) before income tax | | (29,845,813) | 6,187,821 | (21,742,432) | (131,524,808) |
| Income tax | 23 | 3,467,107 | 523,806 | 3,803,559 | 461,083 |
| Profit (loss) for the year from continued operation | | (26,378,706) | 6,711,627 | (17,938,873) | (131,063,725) |
| Discontinued operation | | | | | |
| Loss for the year from discontinued operation | 24 | - | (105,652,256) | - | - |
| Loss for the year | | (26,378,706) | (98,940,629) | (17,938,873) | (131,063,725) |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i> | | | | | |
| Actuarial loss - net of income tax | | - | (787,439) | - | (609,578) |
| Gain on investments in equity instruments designated at fair value through other comprehensive income - net of income tax | | 22,203,942 | - | 22,203,942 | - |
| Other comprehensive income for the year | | 22,203,942 | (787,439) | 22,203,942 | (609,578) |
| Total comprehensive income for the year | | (4,174,764) | (99,728,068) | 4,265,069 | (131,673,303) |

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

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------------------------------|-----------------------------------|---------------------|-------------------------------|----------------------|
| Note | 2020 | 2019 | 2020 | 2019 |
| Profit (loss) attributable to: | | | | |
| Equity holders of the Company | | | | |
| Profit (loss) from continued operation | (26,441,498) | 6,702,214 | (17,938,873) | (131,063,725) |
| Loss from discontinued operation | - | (105,652,256) | - | - |
| | <u>(26,441,498)</u> | <u>(98,950,042)</u> | <u>(17,938,873)</u> | <u>(131,063,725)</u> |
| Non-controlling interests of the subsidiaries | | | | |
| Profit from continued operation | 62,792 | 9,413 | | |
| | <u>62,792</u> | <u>9,413</u> | | |
| | <u>(26,378,706)</u> | <u>(98,940,629)</u> | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | | | | |
| Profit (loss) from continued operation | (4,237,556) | 5,915,232 | 4,265,069 | (131,673,303) |
| Loss from discontinued operation | - | (105,652,256) | - | - |
| | <u>(4,237,556)</u> | <u>(99,737,024)</u> | <u>4,265,069</u> | <u>(131,673,303)</u> |
| Non-controlling interests of the subsidiaries | | | | |
| Profit from continued operation | 62,792 | 8,956 | | |
| | <u>62,792</u> | <u>8,956</u> | | |
| | <u>(4,174,764)</u> | <u>(99,728,068)</u> | | |
| Loss per share | 25 | | | |
| Basic loss per share | | | | |
| Loss attributable to equity holders of the Company | <u>(0.07)</u> | <u>(0.27)</u> | <u>(0.05)</u> | <u>(0.36)</u> |
| Earnings (loss) per share from continued operation | 25 | | | |
| Basic earnings (loss) per share | | | | |
| Profit (loss) attributable to equity holders of the Company | <u>(0.07)</u> | <u>0.02</u> | <u>(0.05)</u> | <u>(0.36)</u> |

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

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

| | Separate financial statements | | | | | | | | | |
|--------------------------------------------|------------------------------------------------|------------------|----------------------------------------------|---------------------------------------------|---------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| | Other components of shareholders' equity | | | | | | | | | |
| | Other comprehensive income | | | | | | | | | |
| | Total other components of shareholders' equity | | | | | | | | | |
| | Issued and fully paid-up share capital | Share premium | Retained earnings (deficits) Appropriated | Reserve for fair value of investments | Deficits | Other comprehensive income | Other comprehensive income | Other comprehensive income | Other comprehensive income | Total shareholders' equity |
| Balance as at 1 January 2019 | 365,549,286 | 342,646,051 | 10,650,000 | - | (314,729,290) | - | - | - | - | 404,116,047 |
| Total comprehensive income for the year | - | - | - | - | (131,673,303) | - | - | - | - | (131,673,303) |
| Balance as at 31 December 2019 | 365,549,286 | 342,646,051 | 10,650,000 | - | (446,402,593) | - | - | - | - | 272,442,744 |
| Balance as at 1 January 2020 | 365,549,286 | 342,646,051 | 10,650,000 | - | (446,402,593) | - | - | - | - | 272,442,744 |
| Loss for the year | - | - | - | - | (17,938,873) | - | - | - | - | (17,938,873) |
| Other comprehensive income for the year | - | - | - | 22,203,942 | - | 22,203,942 | 22,203,942 | 22,203,942 | 22,203,942 | 22,203,942 |
| Total comprehensive income for the year | - | - | - | 22,203,942 | (17,938,873) | 22,203,942 | 22,203,942 | 22,203,942 | 22,203,942 | 4,265,069 |
| Sales of investments in equity instruments | - | - | - | (22,203,942) | 22,203,942 | (22,203,942) | (22,203,942) | (22,203,942) | (22,203,942) | - |
| Balance as at 31 December 2020 | 365,549,286 | 342,646,051 | 10,650,000 | - | (442,137,524) | - | - | - | - | 276,707,813 |

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

Nation International Edutainment Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------------------------------------------------------------------------|-----------------------------------|---------------------|-------------------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from operating activities | | | | |
| Profit (loss) before tax from continued operation | (29,845,813) | 6,187,821 | (21,742,432) | (131,524,808) |
| Loss before tax from discontinued operation | - | (105,376,931) | - | - |
| Loss before tax | (29,845,813) | (99,189,110) | (21,742,432) | (131,524,808) |
| Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 12,603,725 | 18,701,865 | 9,212,986 | 4,462,730 |
| Reversal of allowance for expected credit losses | (123,675) | - | (11,964,544) | - |
| Allowance for doubtful accounts (reversal) | - | (41,314,647) | - | 57,618,032 |
| Reduction of inventory to net realisable value (reversal) | 2,736,909 | (4,615,133) | 708,319 | (2,724,652) |
| Right of return asset | (850,347) | (482,048) | (865,003) | (201,697) |
| Loss on written-off of withholding tax | 52,332 | 113,220 | 722 | - |
| Loss (gain) on sales/write-off of leasehold improvements and equipment | (63,607) | 50,366 | - | - |
| Impairment loss on assets | - | 32,795,549 | - | 46,385,838 |
| Gain on fair value adjustment of financial assets | (1,809,480) | - | (1,809,480) | - |
| Provision for sale return | 3,836,713 | 447,069 | 3,964,804 | 698,146 |
| Provision for long-term employee benefits | 987,598 | 1,619,369 | 876,323 | 2,661,790 |
| Loss from cash return of investment in subsidiary | - | - | 295,844 | - |
| Unrealised gain on exchange | (49,800) | (913,400) | - | - |
| Finance income | (1,517,467) | (3,858,703) | (1,490,320) | (8,799,250) |
| Finance cost | 1,322,511 | 588,814 | 1,135,465 | 397,665 |
| Loss from operating activities before changes in operating assets and liabilities | (12,720,401) | (96,056,789) | (21,677,316) | (31,026,206) |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | (4,497,906) | 51,629,912 | 3,263,460 | 40,372,468 |
| Inventories | (1,944,707) | 2,550,159 | 87,281 | (186,744) |
| Other current assets | 116,006 | (1,088,120) | 2,164 | 275,144 |
| Other non-current assets | 191,519 | (513,200) | (4,280) | (510,000) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 5,678,373 | (29,996,284) | 4,214,428 | (3,649,948) |
| Other current liabilities | (1,610,879) | (1,895,854) | (1,379,759) | (1,437,628) |
| Other non-current liabilities | 10,000 | (307,771) | 10,000 | 48,691 |
| Cash flows from (used in) operating activities | (14,777,995) | (75,677,947) | (15,484,022) | 3,885,777 |
| Cash paid for interest expenses | (1,322,511) | (386,101) | (1,135,465) | (224,893) |
| Cash paid for corporate income tax | (806,862) | (1,310,825) | (554,127) | (986,674) |
| Cash return from corporate income tax | 518,254 | 416,012 | 518,254 | 416,012 |
| Net cash flows from (used in) operating activities | (16,389,114) | (76,958,861) | (16,655,360) | 3,090,222 |

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

Nation International Edutainment Public Company Limited and its subsidiaries
Cash flow statements (continued)
For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------------------------------|------------------------------------------|---------------------|--------------------------------------|---------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Cash flows from investing activities | | | | |
| Decrease (increase) in fixed deposits | 480,623 | (445,091) | (3,577) | 39,109 |
| Cash receipt from sales of equity instruments | 147,134,031 | - | 147,134,031 | - |
| Purchases of equity and debt instruments | (175,957,144) | - | (175,957,144) | - |
| Net cash paid for acquisitions of investments in subsidiaries | (30,817,147) | - | (70,008,480) | (1,000,000) |
| Cash receipt from the dissolution of subsidiary | - | - | 704,156 | - |
| Cash receipt from sales of equipment | 63,607 | 121,102 | - | - |
| Acquisitions of leasehold improvements and equipment | (320,656) | (3,528,109) | (311,166) | (3,359,340) |
| Acquisitions of intangible assets | (6,241,538) | (4,179,460) | (3,803,956) | (1,974,032) |
| Decrease in short-term loan to related party | - | - | - | (87,000,000) |
| Increase in short-term loan to subsidiary | - | - | - | 3,000,000 |
| Interest received | 1,740,069 | 3,640,683 | 1,709,824 | 3,768,585 |
| Net cash flows used in investing activities | <u>(63,918,155)</u> | <u>(4,390,875)</u> | <u>(100,536,312)</u> | <u>(86,525,678)</u> |
| Cash flows from financing activities | | | | |
| Cash paid for lease liabilities | (3,151,025) | - | (3,151,025) | - |
| Net cash flows used in financing activities | <u>(3,151,025)</u> | <u>-</u> | <u>(3,151,025)</u> | <u>-</u> |
| Net decrease in cash and cash equivalents | <u>(83,458,294)</u> | <u>(81,349,736)</u> | <u>(120,342,697)</u> | <u>(83,435,456)</u> |
| Cash and cash equivalents at beginning of year | <u>257,398,645</u> | <u>338,748,381</u> | <u>250,045,396</u> | <u>333,480,852</u> |
| Cash and cash equivalents at end of year | <u>173,940,351</u> | <u>257,398,645</u> | <u>129,702,699</u> | <u>250,045,396</u> |

Supplemental cash flows information:
Non-cash item:

| | | | | |
|---------------------------------------------|------------|---------|------------|-----------|
| Payable from purchases of intangible assets | - | 491,490 | - | 1,111,719 |
| Receivable from sale of investments | 46,678,040 | - | 46,678,040 | - |

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

Nation International Edutainment Public Company Limited and its subsidiaries**Notes to consolidated financial statements****For the year ended 31 December 2020****1. General information****1.1 Corporate information**

Nation International Edutainment Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the importing, publishing and distributing local and foreign publications and character management. The registered office of the Company is at 333 Lao Peng Nguan 1 Tower, 24th Floor, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis for the preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Nation International Edutainment Public Company Limited ("the Company") and the following subsidiaries ("the subsidiaries") (collectively as "the Group"):

| Company's name | Nature of business | Country of incorporation | Percentage of shareholdings | |
|------------------------------------|---------------------------------------------------------------|--------------------------|-----------------------------|-------------|
| | | | <u>2020</u> | <u>2019</u> |
| | | | % | % |
| Nation Global Edutainment Co.,Ltd. | Publishing and distributing books for edutainment | Thailand | 99.74 | 99.74 |
| One World Media Co.,Ltd. | Providing information service over offline and online media | Thailand | 99.99 | 99.99 |
| Street Eye Ball Co.,Ltd. | Representing content producers and advertising | Thailand | - | 99.98 |
| Landy Development Co.,Ltd. | Office building for rent, real estate development and trading | Thailand | 63.76 | - |

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

| | |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

Accounting standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

| | |
|----------|-------------------------------------------------------------|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entities' business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach and impairment of assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, the Group has adopted financial reporting standard related to financial instruments and TFRS 16. The Group elects to recognise the cumulative effect of changes in accounting policies as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The adoptions of these standards do not have any impact on the retained earnings as at 1 January 2020, but have impact on the statements of financial position as at 1 January 2020 as follows:

| | (Unit: Thousand Baht) |
|---------------------------------------------|-----------------------------------------------|
| | Consolidated/Separate financial statements |
| | Increase |
| Statements of financial position | |
| Assets | |
| Non-current assets | |
| Right-of-use assets | 16,186 |
| Liabilities and shareholders' equity | |
| Current liabilities | |
| Current portion of lease liabilities | 3,151 |
| Non-current liabilities | |
| Lease liabilities, net of current portion | 13,035 |

4.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

| (Unit: Thousand Baht) | | |
|---------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------|
| Consolidated financial statements | | |
| | Carrying amounts under the former basis | Classification and measurement in accordance with TFRS 9 Amortised cost |
| Financial assets as at 1 January 2020 | | |
| Cash and cash equivalents | 257,399 | 257,399 |
| Trade and other receivables | 15,515 | 15,515 |

| (Unit: Thousand Baht) | | |
|----------------------------------------------|--------------------------------------------|-------------------------------------------------------------|
| | Separate financial statements | |
| | Carrying amounts under the former basis | Classification and measurement in accordance with TFRS 9 |
| | | Amortised cost |
| Financial assets as at 1 January 2020 | | |
| Cash and cash equivalents | 250,045 | 250,045 |
| Trade and other receivables | 18,034 | 18,034 |

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

| | (Unit: Thousand Baht) Consolidated/Separate financial statements |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Operating lease commitments as at 31 December 2019 | 9,762 |
| Less: Short-term leases and leases of low-value assets | (436) |
| Add: Option to extend lease term | 13,406 |
| Less: Contracts reassessed as service agreements | (3,866) |
| Less: Deferred interest expenses | (2,680) |
| Increase in lease liabilities due to TFRS 16 adoption as at 1 January 2020 | 16,186 |
| Weighted average incremental borrowing rate (% per annum) | 6.20 |
| Comprise of: | |
| Current lease liabilities | 3,151 |
| Non-current lease liabilities | 13,035 |
| | 16,186 |

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

| | (Unit: Thousand Baht) Consolidated/Separate financial statements |
|----------------------------------|------------------------------------------------------------------------|
| Buildings and warehouse | 14,698 |
| Motor vehicles | 1,488 |
| Total right-of-use assets | 16,186 |

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Rendering of services

Service income from electronic books is recognised at a point in time upon the Group renders service to the customer.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Finished goods and work in process are valued at the lower of cost under the weighted average method and net realisable value.

5.4 Investments in subsidiaries

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

5.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.6 Leasehold improvements and equipment / Depreciation

Leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of leasehold improvements and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

| | | |
|------------------------------------------|---|-------|
| Leasehold improvements | 5 | years |
| Furniture, fixtures and office equipment | 5 | years |
| Motor vehicles | 5 | years |

Depreciation is included in profit or loss.

No depreciation is provided on assets under construction and installation.

An item of leasehold improvements and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.7 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and allowance for loss on impairment of assets (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

| | |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Programme licences | 2 years |
| Computer programmes and software licences | 3 - 5 years |
| Trade Mark | 3 years |
| License fees - books | Determined by the higher of amortisation amount between straight-line basis within periods of 3 to 7 years and the calculation based on the number of books that are printed or sold under that copyright contract |

5.8 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term as follows:

| | |
|-------------------------|---------|
| Buildings and warehouse | 7 years |
| Motor vehicles | 3 years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

5.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.10 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of non-financial assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

5.12 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.14 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade receivables

Trade receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Leases

The lease term with the option to extend the lease or terminate the lease - The Group as the lessee

In determining the lease term, the management needs to make judgement upon the reasonably certain of the Group to exercise its option to extend the lease or terminate the lease, taking into account all relevant facts and circumstances that related to economic incentive for the Group to exercise its option.

Determination of the Incremental Rate - The Group as the lessee

The Group is unable to determine the interest rate implicit in the lease. Therefore, management is required to exercise judgement in determining the Group's incremental rate in determining the lease liability. The incremental rate is the interest rate of the Group's loans to acquire assets of close value to the right-of-use assets in a similar economic circumstance. The term and collateral are similar.

Allowance for diminution in inventory value

The basis for determining allowance for diminution in inventory value, relies on significant management judgement and estimates made based on the experience of the management, especially with respect to determination of allowance for obsolete or slow-moving inventory, which requires analysis of the product life cycle, the competitive environment and the economic and industry situation.

Allowance for impairment of non-financial assets

In determining allowance for impairment of non-financial assets, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use.

Provision for sale return

When a contract provided a customer with a right to return the goods, management uses judgment to estimate the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position.

7. Related party transactions

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

(Unit: Million Baht)

| | Consolidated | | Separate | | Transfer pricing policy |
|---------------------------------------------------------|----------------------|-------------|----------------------|-------------|-------------------------|
| | financial statements | | financial statements | | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | |
| Transactions with subsidiaries | | | | | |
| (eliminated from the consolidated financial statements) | | | | | |
| Interest income | - | - | - | 5.0 | MLR |
| Management income | - | - | 7.4 | 12.9 | Contract price |
| Purchases of intangible assets | - | - | - | 0.8 | Contract price |
| Administrative expenses | - | - | 1.8 | 1.8 | Contract price |
| Transaction with related parties | | | | | |
| Purchase of investment in subsidiary | 70.0 | - | 70.0 | - | Contract price |

As at 31 December 2020 and 2019, the balances of the accounts between the Company, subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|------------------------------------------------------------|----------------------|------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <u>Other receivables - related parties (Note 9)</u> | | | | |
| Subsidiaries | - | - | 41,767 | 48,845 |
| Less: Allowance for expected credit loss | | | | |
| (2019: Allowance for doubtful accounts) | - | - | (27,541) | (39,506) |
| Total other receivables - related parties | - | - | 14,226 | 9,339 |
| <u>Other payables - related party (Note 16)</u> | | | | |
| Subsidiary | - | - | 1,445 | 1,744 |
| Total other payables - related party | - | - | 1,445 | 1,744 |

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Company had employee benefit expenses of its directors and management as below.

| | (Unit: Million Baht) | |
|------------------------------|--------------------------------------------|-------------|
| | Consolidated/Separate financial statements | |
| | <u>2020</u> | <u>2019</u> |
| Short-term employee benefits | 15.1 | 17.5 |
| Post-employment benefits | 0.9 | 0.9 |
| Total | 16.0 | 18.4 |

8. Cash and cash equivalents

| | (Unit: Thousand Baht) | | | |
|---------------|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Cash | 51 | 40 | 30 | 30 |
| Bank deposits | 173,889 | 257,359 | 129,673 | 250,015 |
| Total | 173,940 | 257,399 | 129,703 | 250,045 |

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.20 and 0.55 percent per annum (2019: between 0.30 and 1.10 percent per annum).

9. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|----------------------------------------------|-----------------------|--------|----------------------|----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <u>Trade receivables</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 10,649 | 5,398 | 4,459 | 1,774 |
| Past due | | | | |
| Up to 3 months | 5,864 | 6,965 | 4,730 | 4,516 |
| 3 - 6 months | 2 | 442 | - | - |
| 6 - 12 months | - | 270 | - | - |
| Over 12 months | 538 | - | - | - |
| Total | 17,053 | 13,075 | 9,189 | 6,290 |
| Less: Allowance for expected credit loss | | | | |
| (2019: Allowance for doubtful accounts) | (539) | (663) | - | - |
| Total trade receivables - net | 16,514 | 12,412 | 9,189 | 6,290 |
| <u>Other receivables</u> | | | | |
| Accrued income | 2,208 | 1,546 | 1,830 | 1,310 |
| Interest receivables | 37 | 259 | 37 | 256 |
| Account receivable from sales of investments | 46,680 | - | 46,680 | - |
| Other receivables - related parties | - | - | 41,767 | 48,845 |
| Other receivables | 2,055 | 1,298 | 1,231 | 839 |
| Total | 50,980 | 3,103 | 91,545 | 51,250 |
| Less: Allowance for expected credit loss | | | | |
| (2019: Allowance for doubtful accounts) | (20) | - | (27,541) | (39,506) |
| Total other receivables - net | 50,960 | 3,103 | 64,004 | 11,744 |
| Total trade and other receivables | 67,474 | 15,515 | 73,193 | 18,034 |

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

| | (Unit: Thousand Baht) | |
|--------------------------------------------------|-----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| As at 1 January 2020 | 663 | 39,506 |
| Reversal of allowance for expected credit losses | (124) | (11,965) |
| Purchase subsidiaries during the year | 20 | - |
| As at 31 December 2020 | 559 | 27,541 |

10. Inventories

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | |
|-----------------------------------|--------|--------|----------------------------------------|----------|-------------------|--------|
| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Finished goods | 30,576 | 28,632 | (16,820) | (14,084) | 13,756 | 14,548 |
| Right of return asset | 1,332 | 482 | - | - | 1,332 | 482 |
| Total | 31,908 | 29,114 | (16,820) | (14,084) | 15,088 | 15,030 |

(Unit: Thousand Baht)

| Separate financial statements | | | | | | |
|-------------------------------|--------|--------|----------------------------------------|---------|-------------------|-------|
| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Finished goods | 17,286 | 17,373 | (10,302) | (9,593) | 6,984 | 7,780 |
| Right of return asset | 1,067 | 202 | - | - | 1,067 | 202 |
| Total | 18,353 | 17,575 | (10,302) | (9,593) | 8,051 | 7,982 |

During the current year, the Group reduced cost of inventories by Baht 4.0 million (2019: Nil) (the Company only: Baht 1.7 million, 2019: Baht 0.7 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 1.3 million (2019: Baht 4.6 million) (the Company only: Baht 1.0 million, 2019: Baht 3.4 million), and reduced the amount of inventories recognised as expenses during the year.

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements

(Unit: Million Baht)

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | |
|------------------------------------|-----------------|------|-------------------------|-------|---------|---------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | | (%) | (%) | | |
| Nation Global Edutainment Co.,Ltd. | 200 | 200 | 99.74 | 99.74 | 163.4 | 163.4 |
| One World Media Co.,Ltd. | 60 | 60 | 99.99 | 99.99 | 60.0 | 60.0 |
| Street Eye Ball Co.,Ltd. | - | 1 | - | 99.98 | - | 1.0 |
| Landy Development Co.,Ltd. | 40 | - | 63.76 | - | 70.0 | - |
| Total | | | | | 293.4 | 224.4 |
| Less: Allowance for impairment | | | | | (223.4) | (223.4) |
| Investments in subsidiaries - net | | | | | 70.0 | 1.0 |

Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

| Company's name | Proportion of equity interest | | Accumulated balance of | | Profit allocated to | |
|----------------------------|-------------------------------|------|---------------------------|------|---------------------------|------|
| | held by non-controlling | | non-controlling interests | | non-controlling interests | |
| | interests | | non-controlling interests | | during the years | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (%) | (%) | | | | |
| Landy Development Co.,Ltd. | 36.24 | - | 39.8 | - | 0.1 | - |

Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling

Summarised information about financial position

(Unit: Million Baht)

| | Landy Development Co.,Ltd. | |
|-------------------------|----------------------------|------|
| | 2020 | 2019 |
| Current assets | 40.7 | - |
| Non-current assets | 72.4 | - |
| Current liabilities | 1.6 | - |
| Non-current liabilities | 1.7 | - |

Summarised information about comprehensive income

| | (Unit: Million Baht) | |
|----------------------------|---------------------------------|-------------|
| | For the years ended 31 December | |
| | Landy Development Co.,Ltd. | |
| | <u>2020</u> | <u>2019</u> |
| Revenue | 1.7 | - |
| Profit | 0.2 | - |
| Total comprehensive income | 0.2 | - |

Summarised information about cash flow

| | (Unit: Million Baht) | |
|-------------------------------------------|---------------------------------|-------------|
| | For the years ended 31 December | |
| | Landy Development Co.,Ltd. | |
| | <u>2020</u> | <u>2019</u> |
| Cash flow from operating activities | 0.1 | - |
| Net increase in cash and cash equivalents | 0.1 | - |

11.1 Landy Development Company Limited ("Landy")

On 9 November 2020, a meeting of the Company's Board of Directors passed a resolution to acquire 2,550,400 ordinary shares of Landy, representing 63.76% of the total issued shares from related parties ("Sellers"). On 17 November 2020, the Company entered into the share and purchase agreement with the sellers, at a selling price totaling Baht 70 million. The Company received the shares transferred and made a payment for all shares on 1 December 2020.

The Company's management determined that the acquisition of investment in the subsidiary was asset acquisition (investment property). The book values of Landy's assets and liabilities at the date of purchase are as follows:

| | (Unit: Thousand Baht) |
|--------------------------------------------------------|-----------------------|
| Cash and cash equivalents | 39,191 |
| Trade and other receivables | 882 |
| Other current assets | 200 |
| Investment property | 73,182 |
| Other non-current assets | 114 |
| Trade and other payables | (1,404) |
| Other current liabilities | (664) |
| Other non-current liabilities | (1,701) |
| Net assets of subsidiary | 109,800 |
| Less: Non-controlling interests of the subsidiary | (39,792) |
| Proportion interest in net assets of the subsidiary | 70,008 |
| Cash paid for investment in subsidiary | 70,008 |
| Less: Cash and cash equivalents of subsidiary | (39,191) |
| Net cash paid for purchase of investment in subsidiary | 30,817 |

11.2 Street Eye Ball Company Limited

On 9 November 2020, the Company passed a resolution approving the dissolution and liquidation of Street Eye Ball Company Limited. The subsidiary's dissolution and liquidated process was completed on 4 December 2020.

12. Investment property

The net book value of investment property as at 31 December 2020 is presented below.

| | (Unit: Thousand Baht) |
|--------------------------------|----------------------------|
| | Consolidated |
| | financial statements |
| | Land and building for rent |
| Cost | 154,666 |
| Less: Accumulated depreciation | (82,254) |
| Net book value | 72,412 |

13. Leasehold improvements and equipment

(Units: Thousand Baht)

| | Consolidated financial statements | | | | Total |
|------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------|----------------|--------------------------------------------------|---------|
| | Leasehold improvements | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and under construction | |
| Cost | | | | | |
| 1 January 2019 | 7,370 | 8,943 | 1,527 | 15 | 17,855 |
| Additions | 533 | 1,266 | - | 1,729 | 3,528 |
| Disposals | (486) | (2,960) | - | - | (3,446) |
| Transfers | - | 15 | - | (15) | - |
| 31 December 2019 | 7,417 | 7,264 | 1,527 | 1,729 | 17,937 |
| Additions | 298 | 31 | - | - | 329 |
| Acquisition of subsidiary during the year | - | 11,477 | - | - | 11,477 |
| Disposals | - | (271) | - | - | (271) |
| Transfers | 1,729 | - | - | (1,729) | - |
| 31 December 2020 | 9,444 | 18,501 | 1,527 | - | 29,472 |
| Accumulated depreciation and allowance for impairment loss | | | | | |
| 1 January 2019 | 367 | 3,154 | 859 | - | 4,380 |
| Depreciation for the year | 1,503 | 1,402 | 306 | - | 3,211 |
| Allowance for impairment loss | - | 1,664 | - | - | 1,664 |
| Depreciation on disposals | (116) | (2,634) | - | - | (2,750) |
| 31 December 2019 | 1,754 | 3,586 | 1,165 | - | 6,505 |
| Depreciation for the year | 1,873 | 958 | 205 | - | 3,036 |
| Acquisition of subsidiary during the year | - | 11,450 | - | - | 11,450 |
| Reversal of allowance for impairment loss | - | (207) | - | - | (207) |
| Depreciation on disposals | - | (64) | - | - | (64) |
| 31 December 2020 | 3,627 | 15,723 | 1,370 | - | 20,720 |
| Net book value | | | | | |
| 31 December 2019 | 5,663 | 3,678 | 362 | 1,729 | 11,432 |
| 31 December 2020 | 5,817 | 2,778 | 157 | - | 8,752 |
| Depreciation for the year | | | | | |
| 2019 (Baht 0.02 million included in cost of sales and service, and the balance in administrative expenses) | | | | | 3,211 |
| 2020 (Baht 0.6 million included in cost of sales and service, and the balance in administrative expenses) | | | | | 3,036 |

(Units: Thousand Baht)

| | Separate financial statements | | | | |
|------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------|----------------|--------------------------------------------------|--------|
| | Leasehold improvements | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and under construction | Total |
| Cost | | | | | |
| 1 January 2019 | 6,884 | 3,540 | 1,200 | 15 | 11,639 |
| Additions | 533 | 1,097 | - | 1,730 | 3,360 |
| Transfers | - | 15 | - | (15) | - |
| 31 December 2019 | 7,417 | 4,652 | 1,200 | 1,730 | 14,999 |
| Additions | 297 | 15 | - | - | 312 |
| Transfers | 1,730 | - | - | (1,730) | - |
| 31 December 2020 | 9,444 | 4,667 | 1,200 | - | 15,311 |
| Accumulated depreciation | | | | | |
| 1 January 2019 | 288 | 245 | 820 | - | 1,353 |
| Depreciation for the year | 1,466 | 814 | 241 | - | 2,521 |
| 31 December 2019 | 1,754 | 1,059 | 1,061 | - | 3,874 |
| Depreciation for the year | 1,873 | 919 | 139 | - | 2,931 |
| 31 December 2020 | 3,627 | 1,978 | 1,200 | - | 6,805 |
| Net book value | | | | | |
| 31 December 2019 | 5,663 | 3,593 | 139 | 1,730 | 11,125 |
| 31 December 2020 | 5,817 | 2,689 | - | - | 8,506 |
| Depreciation for the year | | | | | |
| 2019 (Baht 0.02 million included in cost of sales and service, and the balance in administrative expenses) | | | | | 2,521 |
| 2020 (Baht 0.07 million included in cost of sales and service, and the balance in administrative expenses) | | | | | 2,931 |

14. Intangible assets

(Units: Thousand Baht)

| Consolidated financial statements | | | | | | |
|------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------|-----------------------|-----------|----------------------------------|----------|
| | Computer programmes and software licences | Licence fees - books | Programme licences | Trademark | Software under development | Total |
| Cost | | | | | | |
| 1 January 2019 | 21,574 | 13,964 | 1,489 | 30,000 | 5,948 | 72,975 |
| Additions | 633 | 3,553 | - | - | 485 | 4,671 |
| Disposals | (3,215) | (10,538) | - | - | (1,260) | (15,013) |
| Transfers | 5,173 | - | - | - | (5,173) | - |
| 31 December 2019 | 24,165 | 6,979 | 1,489 | 30,000 | - | 62,633 |
| Additions | - | 5,557 | - | - | 685 | 6,242 |
| Acquisition of subsidiary during the year | 404 | - | - | - | - | 404 |
| 31 December 2020 | 24,569 | 12,536 | 1,489 | 30,000 | 685 | 69,279 |
| Accumulated amortisation and allowance for impairment loss | | | | | | |
| 1 January 2019 | 5,026 | 11,673 | 1,144 | 5,891 | - | 23,734 |
| Amortisation for the year | 4,091 | 2,540 | 323 | 8,537 | - | 15,491 |
| Allowance for impairment loss | 13,217 | - | - | 15,572 | - | 28,789 |
| Amortisation on disposals | (1,243) | (10,537) | - | - | - | (11,780) |
| 31 December 2019 | 21,091 | 3,676 | 1,467 | 30,000 | - | 56,234 |
| Amortisation for the year | 737 | 4,509 | 22 | - | - | 5,268 |
| Acquisition of subsidiary during the year | 387 | - | - | - | - | 387 |
| 31 December 2020 | 22,215 | 8,185 | 1,489 | 30,000 | - | 61,889 |
| Net book value | | | | | | |
| 31 December 2019 | 3,074 | 3,303 | 22 | - | - | 6,399 |
| 31 December 2020 | 2,354 | 4,351 | - | - | 685 | 7,390 |
| Amortisation for the year | | | | | | |
| 2019 (Baht 14.8 million included in cost of sales and service, and the balance in administrative expenses) | | | | | | 15,491 |
| 2020 (Baht 4.9 million included in cost of sales and service, and the balance in administrative expenses) | | | | | | 5,268 |

(Units: Thousand Baht)

Separate financial statements

| | Computer programmes and software licences | Licence fees - books | Programme licences | Software under development | Total |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------|-----------------------|----------------------------------|---------|
| Cost | | | | | |
| 1 January 2019 | 273 | 4,326 | 1,489 | 2,497 | 8,585 |
| Additions | 513 | 2,088 | - | 485 | 3,086 |
| Disposals | - | (2,032) | - | - | (2,032) |
| Transfers | 2,982 | - | - | (2,982) | - |
| 31 December 2019 | 3,768 | 4,382 | 1,489 | - | 9,639 |
| Additions | - | 3,119 | - | 685 | 3,804 |
| 31 December 2020 | 3,768 | 7,501 | 1,489 | 685 | 13,443 |
| Accumulated amortisation | | | | | |
| 1 January 2019 | 166 | 3,292 | 1,144 | - | 4,602 |
| Amortisation for the year | 528 | 1,092 | 323 | - | 1,943 |
| Amortisation on disposals | - | (2,032) | - | - | (2,032) |
| 31 December 2019 | 694 | 2,352 | 1,467 | - | 4,513 |
| Amortisation for the year | 737 | 1,994 | 22 | - | 2,753 |
| 31 December 2020 | 1,431 | 4,346 | 1,489 | - | 7,266 |
| Net book value | | | | | |
| 31 December 2019 | 3,074 | 2,030 | 22 | - | 5,126 |
| 31 December 2020 | 2,337 | 3,155 | - | 685 | 6,177 |
| Amortisation for the year | | | | | |
| 2019 (Baht 1.7 million included in cost of sales and service, and the balance in administrative expenses) | | | | | 1,943 |
| 2020 (Baht 2.4 million included in cost of sales and service, and the balance in administrative expenses) | | | | | 2,753 |

15. Other non-current financial assets

| | (Unit: Thousand Baht) |
|---------------------------------|-----------------------------------------------|
| | Consolidated/Separate financial statements |
| | <u>2020</u> |
| <u>Financial asset at FVTPL</u> | |
| Unquoted debt instruments | 9,900 |
| Allowance for change in value | 1,809 |
| Total | <u>11,709</u> |

On 23 April 2020, the Company acquired 90,000 ordinary shares of a related company, representing 18.35% of the issued shares from sellers. The sellers had a buy-back option at a specific price within 3 years from the date the purchase was completed. The Company's management expects the sellers of those shares to exercise the option within the specified period and classifies the investment under the caption of "Financial asset at FVTPL".

In addition, during the year, the Company acquired quoted equity instruments (designated at fair value through other comprehensive income) amounting to Baht 166.0 million and already sold them at a price of Baht 193.8 million. The cumulative gain recognised in other comprehensive income of Baht 22.2 million (net of income tax) was transferred to retained earnings.

16. Trade and other payables

| | (Unit: Thousand Baht) | | | |
|--------------------------------|-----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Trade payables | 5,414 | 4,556 | 3,884 | 2,351 |
| Other payables - related party | - | - | 1,445 | 1,744 |
| Other payables | 13,522 | 14,021 | 1,303 | 1,114 |
| Accrued expenses | 15,258 | 8,575 | 8,848 | 6,056 |
| Total trade and other payables | <u>34,194</u> | <u>27,152</u> | <u>15,480</u> | <u>11,265</u> |

17. Leases

The Group as a lessee

The Group has lease contracts for assets used in its operations. Leases generally have lease terms between 3 - 7 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

| | Consolidated/Separate financial statements | | |
|---------------------------|--------------------------------------------|----------------|---------|
| | Buildings and warehouse | Motor vehicles | Total |
| 1 January 2020 | 14,698 | 1,488 | 16,186 |
| Depreciation for the year | (2,842) | (687) | (3,529) |
| 31 December 2020 | 11,856 | 801 | 12,657 |

b) Lease liabilities

(Unit: Thousand Baht)

| | Consolidated/Separate financial statements |
|--------------------------------------------|-----------------------------------------------|
| | 2020 |
| Lease payments | 14,800 |
| Less: Deferred interest expenses | (1,765) |
| Total | 13,035 |
| Less: Portion due within one year | (3,352) |
| Lease liabilities - net of current portion | 9,683 |

A maturity analysis of lease payments is disclosed in Note 30 to the financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

| | |
|------------------------------------------------|------------------------------|
| | (Unit: Thousand Baht) |
| | For the year ended |
| | 31 December 2020 |
| | <u>Consolidated/Separate</u> |
| | <u>financial statements</u> |
| Depreciation expense of right-of-use assets | 3,529 |
| Interest expense on lease liabilities | 915 |
| Expense relating to leases of low-value assets | 212 |

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 4.5 million, including the cash outflow related to leases of low-value assets.

18. Provision for sale return

| | | |
|--------------------------|-----------------------------|-----------------------------|
| | (Unit: Thousand Baht) | |
| | Consolidated | Separate |
| | <u>financial statements</u> | <u>financial statements</u> |
| As at 1 January 2019 | 1,077 | 36 |
| Increase during the year | 447 | 699 |
| As at 31 December 2019 | 1,524 | 735 |
| Increase during the year | 3,837 | 3,964 |
| As at 31 December 2020 | <u>5,361</u> | <u>4,699</u> |

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire as at 31 December 2020 and 2019, was as follows:

| | (Unit: Thousand Baht) | | | |
|-----------------------------------------|-----------------------|---------------|----------------------|--------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Provision for long-term employee | | | | |
| benefits at beginning of year | 11,207 | 8,598 | 9,876 | 6,432 |
| Included in profit or loss: | | | | |
| Current service cost | 859 | 2,670 | 780 | 886 |
| Interest cost | 129 | 203 | 96 | 172 |
| Past service costs | - | 2,070 | - | 1,776 |
| Reversal from discontinued operation | - | (3,121) | - | - |
| Included in other comprehensive income: | | | | |
| Actuarial loss arising from | | | | |
| experience adjustments | - | 787 | - | 610 |
| Provision for long-term employee | | | | |
| benefits at end of year | <u>12,195</u> | <u>11,207</u> | <u>10,752</u> | <u>9,876</u> |

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 14.4 years (2019: 14.4 years).

Significant actuarial assumptions are summarised below.

| | (Unit: Percent per annum) | | | |
|----------------------|---------------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Discount rate | 1.71 | 1.71 | 1.71 | 1.71 |
| Salary increase rate | 4.00 - 8.50 | 4.00 - 8.50 | 4.00 - 8.50 | 4.00 - 8.50 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

| | As at 31 December 2020 | | | |
|----------------------|-----------------------------------|-------------|-------------------------------|-------------|
| | Consolidated Financial Statements | | Separate financial statements | |
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (724) | 857 | (573) | 683 |
| Salary increase rate | 954 | (815) | 757 | (642) |

(Unit: Thousand Baht)

| | As at 31 December 2019 | | | |
|----------------------|-----------------------------------|-------------|-----------------------------------|-------------|
| | Consolidated Financial Statements | | Consolidated Financial Statements | |
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (643) | 766 | (494) | 593 |
| Salary increase rate | 788 | (673) | 609 | (516) |

20. Statutory reserve

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

21. Sales and service income

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---------------------------------------|----------------------|--------|----------------------|--------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Sales | 67,339 | 54,116 | 33,201 | 24,635 |
| Service income from electronics books | 4,872 | 2,201 | 4,872 | 2,201 |
| Total | 72,211 | 56,317 | 38,073 | 26,836 |

22. Expenses by nature

Significant expenses classified by nature are as follows:

| | Consolidated | | (Unit: Thousand Baht) | |
|--------------------------------------------------------------|----------------------|-------------|-----------------------|-------------|
| | financial statements | | Separate | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Changes in inventories | (1,944) | 2,550 | 87 | (187) |
| Reduction of inventory to net realisable value (reversal) | 2,736 | (4,615) | 708 | (2,724) |
| Printing service and production costs | 27,143 | 27,109 | 14,090 | 11,111 |
| Depreciation and amortisation | 12,604 | 18,702 | 9,213 | 4,463 |
| Employee benefit expenses | 42,715 | 47,311 | 39,696 | 42,359 |
| Selling and distribution expenses | 1,923 | 3,204 | 1,559 | 3,164 |
| Allowance for doubtful accounts (reversal) | - | (41,315) | - | 57,618 |
| Impairment loss on assets | - | 32,796 | - | 46,386 |

23. Income tax

Income tax for the years ended 31 December 2020 and 2019 are made up as follows:

| | Consolidated | | (Unit: Thousand Baht) | |
|------------------------------------------------------------------|----------------------|--------------|-----------------------|--------------|
| | financial statements | | Separate | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Continued operation | | | | |
| Current income tax: | | | | |
| Corporate income tax for the year | (5,435) | - | (5,551) | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 1,968 | (524) | 1,747 | (461) |
| Income tax benefit reported in profit or loss | <u>(3,467)</u> | <u>(524)</u> | <u>(3,804)</u> | <u>(461)</u> |

The amount of income tax relating to each of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

| | (Unit: Thousand Baht) | |
|------------------------------------------------------------------|-----------------------|-------------|
| | Consolidated/Separate | |
| | financial statements | |
| | <u>2020</u> | <u>2019</u> |
| Income tax relating to gain on investments in equity instruments | <u>5,551</u> | <u>-</u> |

The reconciliation between accounting loss and income tax expense is shown below.

| | (Unit: Thousand Baht) | | | |
|---------------------------------------------|-----------------------|-----------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Accounting loss before tax | <u>(29,846)</u> | <u>(99,189)</u> | <u>(21,742)</u> | <u>(131,525)</u> |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Accounting loss before tax multiplied by | | | | |
| income tax rate | (5,969) | (19,838) | (4,348) | (26,305) |
| Effects of: | | | | |
| Non-deductible expenses | 239 | 25,666 | 165 | 25,117 |
| Temporary differences for which no deferred | | | | |
| tax was recognised | 1,318 | (2,802) | (1,456) | (4,494) |
| Impairment loss on deferred tax assets | 1,968 | 276 | 1,747 | - |
| Others | (1,023) | (3,550) | 88 | 5,221 |
| Income tax reported in profit or loss | <u>(3,467)</u> | <u>(248)</u> | <u>(3,804)</u> | <u>(461)</u> |
| Income tax from continued operation | (3,467) | (524) | (3,804) | (461) |
| Income tax from discontinued operation | - | 276 | - | - |
| Income tax reported in profit or loss | <u>(3,467)</u> | <u>(248)</u> | <u>(3,804)</u> | <u>(461)</u> |

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

| | Statements of financial position | | | |
|-------------------------------------------|----------------------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Deferred tax assets | | | | |
| Provision for long-term employee benefits | - | 1,968 | - | 1,747 |
| Total | - | 1,968 | - | 1,747 |

As at 31 December 2020, the Group has deductible temporary differences and unused tax losses totaling Baht 399 million (2019: Baht 410 million) (the Company only: Baht 332 million, 2019: Baht 344 million), on which deferred tax assets have not been recognised, as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 365 million (the Company only: Baht 57 million) will expire by 2025.

24. Discontinued operation

On 11 November 2019, a meeting of the Company's Board of Directors passed a resolution to discontinue an operation of a subsidiary ("One World Media Company Limited"). Discontinued operation for the year ended 31 December 2019 in the consolidated financial statements are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements |
|------------------------------------------------------|--------------------------------------|
| <u>Statement of comprehensive income</u> | |
| Revenues | 14,032 |
| Expenses | (119,408) |
| Loss before income tax | (105,376) |
| Income tax | (276) |
| Loss for the year from discontinued operation | (105,652) |

Significant cash flow information from the discontinued operation for the year ended 31 December 2019 are as follows:

| | (Unit: Thousand Baht) |
|---------------------------------------------------|--------------------------------------|
| | Consolidated financial statements |
| Net cash used in operating activities | (79,465) |
| Net cash used in investing activities | (482) |
| Net cash from financing activities | 82,060 |
| Net cash flows from discontinued operation | 2,113 |

25. Earnings (loss) per share

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

Details of calculation of earnings (loss) per share for the years ended 31 December 2020 and 2019 are as below.

| | Consolidated financial statements | | | | | |
|--------------------------------------------------------------|-----------------------------------|---------|------------------------|-----------|----------|----------|
| | Continued operation | | Discontinued operation | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Profit (loss) for the year (Thousand Baht) | (26,442) | 6,702 | - | (105,652) | (26,442) | (98,950) |
| Weighted average number of ordinary shares (Thousand shares) | 365,549 | 365,549 | - | 365,549 | 365,549 | 365,549 |
| Earnings (loss) per share (Baht/share) | (0.07) | 0.02 | - | (0.29) | (0.07) | (0.27) |

| | Separate financial statements | | | |
|--------------------------------------------------------------|-------------------------------|-----------|----------|-----------|
| | Continued operation | | Total | |
| | 2020 | 2019 | 2020 | 2019 |
| Loss for the year (Thousand Baht) | (17,939) | (131,064) | (17,939) | (131,064) |
| Weighted average number of ordinary shares (Thousand shares) | 365,549 | 365,549 | 365,549 | 365,549 |
| Loss per share (Baht/share) | (0.05) | (0.36) | (0.05) | (0.36) |

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

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

- Publishing segment, distributing books for edutainment.
- New media segment, providing information service over offline and online media (discontinued) (Note 24)

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenues and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2020 and 2019:

(Unit: Million Baht)

| | Consolidated financial statements | | | | | |
|---------------------------------------------|-----------------------------------|------|-----------------------------|------|-------|-------|
| | Publishing | | New Media (Discontinued) | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues from external customers | 72 | 56 | - | 12 | 72 | 68 |
| Total revenues | 72 | 56 | - | 12 | 72 | 68 |
| Segment profit (loss) | 19 | 17 | - | (43) | 19 | (26) |
| Unallocated income and expenses | | | | | | |
| Other income | | | | | 7 | 11 |
| Selling and distribution expenses | | | | | (6) | (23) |
| Administrative expenses | | | | | (50) | (106) |
| Reversal of allowance for doubtful accounts | | | | | - | 41 |
| Finance income | | | | | 1 | 4 |
| Finance cost | | | | | (1) | (1) |
| Income tax | | | | | 3 | 1 |
| Loss for the year | | | | | (27) | (99) |

Geographic information

The Group operates in Thailand only. As a result, all revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2020, the Group has revenues from two major customer in amount of Baht 19 million and Baht 11 million, arising from publishing segment (2019: Baht 12 million and Baht 6 million derived from two major customers, arising from publishing segment).

27. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 5 to 7.5% of basic salary. The Group's contributions for the year 2020 amounting to approximately Baht 2.0 million (2019: Baht 1.8 million) were recognised as expenses (the Company only: Baht 1.9 million, 2019: Baht 1.7 million).

28. Commitments and contingent liabilities

28.1 Guarantees

As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 0.1 million (2019: Baht 0.1 million) issued in the normal course of business of the Company.

28.2 Other commitment

On 31 May 2018, a subsidiary had entered into an agreement to use the trademark from other company for 3 years. The subsidiary committed to share revenue from the right of trademark at the rate as specified in the agreement. However, the subsidiary discontinued the operation as described in Note 24 to the financial statements.

29. Fair value hierarchy

As at 31 December 2020, the Group had the assets that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|------------------------------------------------|-----------------------------------|---------|---------|----------------|
| | As at 31 December 2020 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Asset measured at fair value | | | | |
| Financial asset measured at FVTPL | | | | |
| Debt instrument | - | - | 11,709 | 11,709 |
| Asset for which fair value is disclosed | | | | |
| Investment property | - | 245,435 | - | 245,435 |

(Unit: Thousand Baht)

| Separate financial statements | | | |
|-------------------------------------|---------|---------|---------------|
| As at 31 December 2020 | | | |
| Level 1 | Level 2 | Level 3 | Total |
| Asset measured at fair value | | | |
| Financial asset measured at FVTPL | | | |
| Debt instrument | - | - | 11,709 |
| | | | 11,709 |

30. Financial instruments

30.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, investments, trade and other payables and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and deposits with banks. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade and other receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer and product types. The calculation of impairment reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Bank deposits

The Group manages credit risk related to banks by investing with approved counterparties. The approval has been made in order to mitigate any potential impact in the future.

Market risk

There are two types of market risk comprising as follows:

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bearing floating interest rates.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the management of sufficient cash and cash equivalent, to reduce the effect of fluctuation of cash flows.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | |
|--------------------------|-----------------------------------|---------------|-------------|--------------|--------|
| | On demand | Within 1 year | 1 - 5 years | Over 5 years | Total |
| Trade and other payables | - | 34,194 | - | - | 34,194 |
| Lease liabilities | - | 3,352 | 9,683 | - | 13,035 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | |
|--------------------------|-------------------------------|---------------|-------------|--------------|--------|
| | On demand | Within 1 year | 1 - 5 years | Over 5 years | Total |
| Trade and other payables | - | 15,480 | - | - | 15,480 |
| Lease liabilities | - | 3,352 | 9,683 | - | 13,035 |

30.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, its fair value of financial instruments is not expected to be materially different from the amounts presented in the statement of financial position, except for investment in debt security, fair value of which is estimated using a present value of future cash flows based on yield curve announced by the Thai Bond Market Association adjusted by risk premium.

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

30.3 Reconciliation of recurring fair value measurements, of assets, categorised within Level 3 of the fair value hierarchy.

| | |
|---------------------------------------|--------------------------------------------------|
| | (Unit: Thousand Baht) |
| | Consolidated/Separate of financial statements |
| | <u>Assets</u> |
| | <u>measured at fair value</u> |
| Balance as of 1 January 2020 | - |
| Acquisition during the year | 9,900 |
| Gain recognised into profit or loss | 1,809 |
| Balance as of 31 December 2020 | 11,709 |

Key assumptions used in the valuation are summarised below.

| Financial instrument | Valuation technique | Significant unobservable inputs | Rates | Sensitivity of the input to fair value |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment in debt instrument | Discounted future cash flows using yield curve announced by the Thai Bond Market Association adjusted by risk premium. | Risk premium | 22.94% | 1% increase (decrease) in the risk premium would result in decrease (increase) in fair value amounting to Baht 0.26 million and Baht 0.27 million, respectively |

31. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.23:1 (2019: 0.16:1) and the Company's debt-to-equity ratio was 0.17:1 (2019: 0.09:1).

32. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 11 February 2021.





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