



Form 56 – 1 ONE REPORT

Annual Report

2021

Nation International Edutainment Public Company Limited

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Message from Chairman

Nation International Edutainment Public Company Limited

Dear Shareholders and Stakeholders,

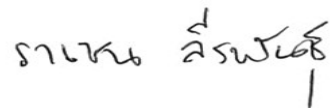
From the beginning of 2020 to present, the outbreak of COVID-19 has continually affected people's lives, private business and overall economic. The whole world still suffers with the virus mutation. Thailand now also faces the crisis of a new wave of COVID-19 infections. This situation is the major challenge for our Company to handle in terms of management and business operation. Unavoidably, it affects the performance of business, especially the publishing industry. For example, the book fairs, which are important annual events for publishing business and readers, were all canceled and transformed to go online instead. This situation has hugely affected the Company's short-term income significantly.

For all years long, we have been doing business with the commitment to benefit of all stakeholders. We have taken all efforts to take care of our employees for their well-being. For our business partners, we have adjusted some commercial terms to enable both parties to survive and get through these challenges of COVID-19 together. We have also been managing our business by adhering to sustainability and transparency, which was affirmed by the recertification of the Private Sector Collective Against Corruption (CAC) on 5 April 2021. Besides, innovation and technology have been implemented in our business operation to add value to our business and this enables us to maintain customers loyalty and business partners relationship. Our sales from e-commerce channels and electronic products, especially the comic books and online cartoon translation service, have continually increased, which has generated the growth of the Company's income. This was organizational self-adaptation to face and respond the changing world and to lay the foundation for growth for the digital publishing business. We revisited to our strategies to increase our competitiveness through gaining customer's feedbacks and suggestions as precious gems and take them into our process of title selection and publishing estimation to efficiently fulfill the needs of customers and increase the effectiveness of the Company's revenue generation, creating subsidiary brands in niche categories to serve the special groups of customers, and efficiently allocating and managing marketing budget to ensure target readers accessibility through our business alliances and digital platforms.

Although the growth opportunity of the publishing business has hugely dropped, we have surveyed and looked for opportunities in new business based on our area of expertise in warehouse management and retail sales. In the middle of year 2021, we started retail business with the brand “Turtle” on the BTS Skytrain stations. Turtle provides retail outlets which offer consumer goods, especially food and beverages in grab & go model and commercial space rental on BTS Skytrain stations. This business not only improves the convenience for people who travel with the public transportation and communities surrounding them, but also commercially increases business opportunity and value for entrepreneurs in such areas. During the outbreak of COVID-19, the number of BTS passengers has dropped as a result of traveling restrictions and work from home policy. We hoped that, with the increasing number of vaccinated people, the easing of some restrictions by the government, the country reopening for tourists, all these factors will drive people to travel with BTS Skytrain again when the country is fully reopening. Our first retail outlet under the brand “Turtle”, located on Saint Louis station, was just opened in December 2021. Two more outlets will be ready for service by the second quarter of 2022. This business can reach multiple groups of customers at all ages, careers, and lifestyles, while it’s business model can lead to further expansion and lay the strong foundation for the Company in the long term.

Moreover, last year we and our alliances “RS Public Company Limited” and “Plan B Media Public Company Limited” established a joint venture named RSPlanB to operate the commerce and marketing business with mass market target group. We believe this joint venture will increase opportunities for investment return and diversify investment risks.

Finally, I would like to thank all shareholders and stakeholders for your trust and support in our business through this challenging period. The good cooperation of all parties including management and all staff plays important roles in continually improving the business operation and success of our Company.

A handwritten signature in black ink, appearing to be in Thai script, with a vertical line drawn below it.

Mr. Rashane Leerabanhu
Chairman of the Board of Directors

Board of Directors



1

Mr. Rashane Leerabandhu
Chairman



2

Mrs. Suparanan Tanviruch
Independent Director and Chairman
of The Audit Committee



3

Mr. Phanwarit Martmuang
Independent Director and
Member of The Audit Committee



4

Mr. Stephen Joseph Camilleri
Independent Director and
Member of The Audit Committee



5

Mr. Voraphot Chanyakomol
Director and Chief Financial Officer

Details of Directors are shown
in Attachment 1

Management Team



1

Mr. Ian Craig Londen
Chief of Executive Officer (CEO)



2

Mr. Surawoot Tankamjananurak
Chief Commercial Officer (CCO)



3

Ms. Thitagan Thana-Olarn
Senior
Vice President -
Business Development



4

Mrs. Tientara Deshjamroen
Assistant
Vice President -
Accounting & Financing



5

Ms. Natchanan Charoenpathrakiat
Assistant
Vice President -
Marketing & Sale



6

Ms. Tamtawan Srilaemthong
Assistant
Vice President -
Company Secretary

Details of Executives are shown
in Attachment 1

Part 1

Business Operation and Operating Results

1. Business Structure and Operation of the Group

1.1 Policy and Business Overview

At present, Nation International Edutainment Public Company Limited (the “Company” or “NINE”) and its subsidiaries (the “Group”) engage in publishing business which is production and sale of pocket books and youth-targeted publication (mangas and fictions) in both printed and digital formats (e-book), including the Company’s owned e-commerce platform, namely www.nejavu.com (“Nejavu”), as a sale channel for the Group’s publishing products and the business partners’ licensed merchandises. In the middle of the past year, the Company commenced its new businesses covering retail and merchandising space on BTS stations. As from the commencement of new business, the Board of Directors reviewed and announced new vision, mission, core values, as well as long-term goals to reflect NINE’s overall businesses.

1.1.1 Vision, Mission, Core Values and Long-Term Goals

Vision: Providing accessible products and services for happy living of people

Mission:

- Providing premium products and services
- Developing brand strategy to strengthen brand value and trust
- Implementing business operation for sustainable growth and based on the benefits of all stakeholders

Core Values:

- Passion - Love and dedication in work
- Integrity - Adhering to the righteousness, morality, transparency, and accountability
- Teamwork and Synergy - Collaborating and working as a team for success and goal achievement
- Service Mind - Delivering product with excellent service for customer’s impression and brand loyalty
- Innovation - Gradually implementing innovation in all aspects, developing and promoting good image and status of corporate and stakeholders

Long-Term Goals

The Company aims for being an offeror of premium products and services responding to people's needs and lifestyles, through the build of easily accessible community, the value-added innovation, the partnership synergy and the stakeholders relationship management for their satisfaction as the key strategies. The Company strongly believes that those stated strategies would lead the Group to maintain well-positioned financial status and good corporate governance for value creation of the society and community.

1.1.2 History, Changes and Key Milestones

History of the Company

Previously, the Company was a subsidiary of Nation Multimedia Group Public Company Limited (“NMG”) engaging in edutainment and international business (the Company ceased to be a subsidiary of NMG in 2018) and was registered as a limited company under the name as Nation Cheepajorn Wannee Co., Ltd., on 22 October 1996 with an initial registered capital of THB1 million, and on 21 October 2002, the Company changed its name to Nation Books International Co., Ltd, to operate a publishing business, namely “Nation Books” to produce and distribute the pocket books which has received the right from leading Thai and international authors and publishers. On 25 July 2006, NMG restructured the edutainment and international business line and increased the Company’s registered capital from THB1 million to THB70 million.

On 5 November 2008, the Company was converted into a public limited company and changed its name to Nation International Edutainment Public Company Limited, including an increase of the registered capital from THB70 million to THB85 million to support the initial public offering. During 2009 to 2010, the Company undertook any actions regarding listing its ordinary shares on the Market for Alternative Investment (MAI) under the trading symbol “NINE”. The first day trading of its securities was on 17 November 2010.

Changes and Key Milestones

- | | |
|------|--|
| 2017 | <ul style="list-style-type: none">On 2 May 2017, the Company resolved to increase the capital in Nation Global Edutainment Co., Ltd. (“NGE”), a subsidiary of the Company, whose business was printed products (mangas and fictions) from THB97 million to THB200 million, resulting in the Company's shareholding ratio to increase to 99.74% of total issued shares. |
| 2018 | <ul style="list-style-type: none">On 2 April 2018, the Company resolved to approve the acquisition of 99.99% of ordinary shares in One World Media Co., Ltd., (“OWM”) at total price of THB10 million from the existing shareholders. OWM operated advertising business for the new generation under free sheet category. The purchase of shares in OWM was completed on 4 April 2018. |

On 10 May 2018, the Company resolved to increase the capital in OWM from THB10 million to THB60 million.

- On 1 November 2018, the Company and its subsidiaries relocated its head office to 333 Lao Peng Nguan 1 Tower, 24th Floor, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok.
 - On 9 November 2018, the Company registered the change of its registered capital from THB259,250,000 to THB390,549,286 and on 29 November 2018, the Company registered its paid-up capital from THB170,049,286 THB365,549,286, following the Company's capital increase which was allocated under the specific objective basis to specific investors (Private Placement).
- 2019
- On 3 January 2019, the Company established Street Eyeball Co., Ltd. ("SEB") with a registered capital of THB1 million to engage in an advertising media business.
 - As from 26 July 2019, NMG, a major shareholder of the Company holding 120,808,387 shares representing 33.05% of total issued shares, gradually disposed the Company's shares. As a result, NMG was no longer a major shareholder of the Company since 14 August 2019.
 - OWM ceased its commercial operations since December 2019.
- 2020
- On 16 April 2020, the Company resolved to approve the acquisition of the 90,000 ordinary shares, representing 18.35% of total issued shares of Trans.Ad Solutions Co., Ltd. ("Trans.Ad") at the price of THB110 per share, totaling of THB9.90 million from the existing shareholders. The purchase of shares in Trans.Ad was completed on 23 April 2020.
 - On 9 November 9, 2020, the Company resolved to approve the acquisition of 2,550,400 ordinary shares representing 63.76% of total issued shares of Landy Development Co., Ltd. ("LDD") at the price of THB27.45 per share, totaling of THB70.01 million from the existing shareholders. The purchase of shares in LDD was completed on 1 December 2020.
 - On 9 November 2020, the Company resolved to approve the dissolution of SEB, where the registration of the liquidation with the Ministry of Commerce and the liquidation process were completed on 19 November 2020 and 4 December 2020.

- 2021
- On 22 February 2021, the Company resolved to approve the disposal of all ordinary shares in LDD held by the Company at price of THB34.50 per share, totaling THB87.99 million. The disposal of shares in LDD was completed on 1 March 2021.
 - On 30 August 2021, the Company jointly with RS Public Company Limited and Plan B Media Public Company Limited, incorporated a joint venture company, namely RSPlanB Co., Ltd. to engage in marketing and distribution of goods with a mass market target in which the Company holds 500,000 shares in such joint venture company, representing 10% of total issued shares, with par value of THB100 per share, equivalent to the investment amount of THB5 million.
 - On 28 December 2021, the Company opened its first retail shop, focus on ready-to-eat food and beverages under the brand “Turtle”, at BTS Saint Louis station.

1.1.3 General Information of the Company

Name	:	Nation International Edutainment Public Company Limited
Type of Business	:	(a) publishing business by producing and distributing pocket books and youth-targeted publication (mangas and fictions) in both printed and digital formats; and (b) retail business, including leasing out merchandising space
Head Office	:	333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900
Registration No.	:	0107551000312
Telephone No.	:	(66) 2091-5900
Fax No.	:	(66) 2091-5928
Website	:	www.nine.co.th
Registered Capital	:	THB390,549,286
Paid-up Capital	:	THB365,549,286 (as of 31 December 2021)
Issued Shares	:	364,549,286 ordinary shares
Par value per share	:	THB1 per share

1.2 Nature of Business

1.2.1 Revenue Structure of the Group

Revenue of the Group can be categorized by business as follows:

Revenue by Business Group	Operated by	2021		2020		2019	
		MB	%	MB	%	MB	%
Publishing Business ¹							
1. Pocket books	NINE	23.02	19.60	16.54	20.96	19.27	29.22
2. Youth-targeted publication	NINE / NGE	73.24	62.34	57.62	73.04	37.05	56.19
Retail Business ²	NINE	0.04	0.03	-	-	-	-
Other income ³		21.18	18.03	4.73	6.00	9.62	14.59
Total income		117.48	100.00	78.89	100.00	65.94	100.00

Note ¹ including revenue from printed products both in printed and digital formats in all distribution channels

² a new business of the Company which commenced at the end of December 2021

³ i.e., revenue from dividend payment, interest income, revenue from sale of scraps, and others

1.2.2 Product Information

Publishing Business

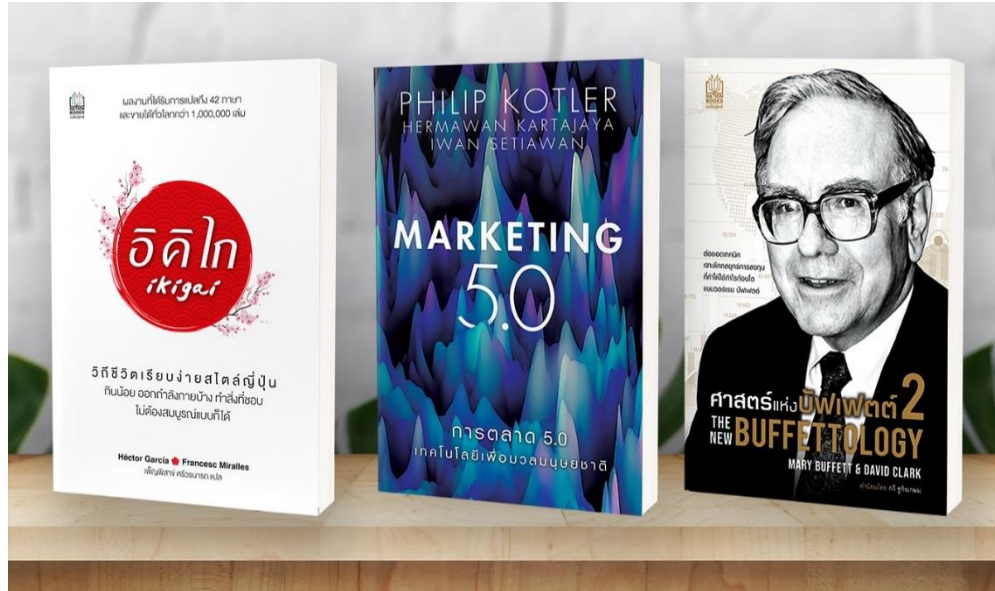
Publishing business, which is the core business of the Group, consists of pocket books and youth -targeted printed products both in book and e-book through various offline and online distribution channels.

(1) Product Description and Innovation Development

1. **Pocket Books** – Business operations are carried out by the Company under widely known brand “Nation Books”, which is earned trust by mass readers over the years for diverse and quality content based on concept of creating knowledge and delivering entertainment through alphabet. The target customers are those at age of 25 to 44 who have distinguished interests in key areas of self-development, including business and marketing, finance and investment, working skills improvement, health and idea development. To create product differentiation and brand image and win customer loyalty, the Company then divides its products into the following sub-brands:

- (a) Nation Books: pocket books that are in the business management, literature, biography, health and well-being categories which have received the copyrights from leading local and international authors and publishers;

- (b) NB Horror: pocket books that are in horror, mystery, and investigation categories; and
- (c) NB Lite : pocket books that are in heart-warming and romantic categories.



Best sellers pocket books in 2021 were Ikigai: The Japanese Secret to a Long and Happy Life ,
The new Buffettology 1 and 2, Marketing 5.0, Pohhoonpen Henponyangyuen, Ginbang
Oodbang Sukaphabdee Maimeepuay.

2. **Youth-targeted publication** - Business operations are carried out by the Company and NGE focusing on Japanese cartoons (manga) and entertaining fictions. The target customers are teenagers and working people at age of 18 to 34. At present, the Company and NGE are one of the biggest publishers in Thailand being granted the copyrights to print and sell mangas from leading Japanese publishers, such as Shueisha, Shogakukan, Kodansha, Kadokawa Shoten, Futabasha, Akita Shoten and Coamix. An early introduction of mangas originally starts from single-episode releases on weekly basis and then develops to bundled-episode books and series boxsets. The best-selling titles that are always popular among the readers are 20th Century Boy, Pokemon Special, Naruto, Barakamon and Doraemon. Besides, the Company selects manga titles, which has characters with solid fan base. Accordingly, sub-brands for youth-targeted publication are divided into following:

- (a) NED Comics: best-selling licensed manga and fictions in Thai translation, granted by leading Japanese publishers; and
- (b) NED Pastel: heart-warming and romantic cartoons.



Best sellers mangas and fictions in 2021 were Mashle, Tougen Anki and BURN THE WITCH I.

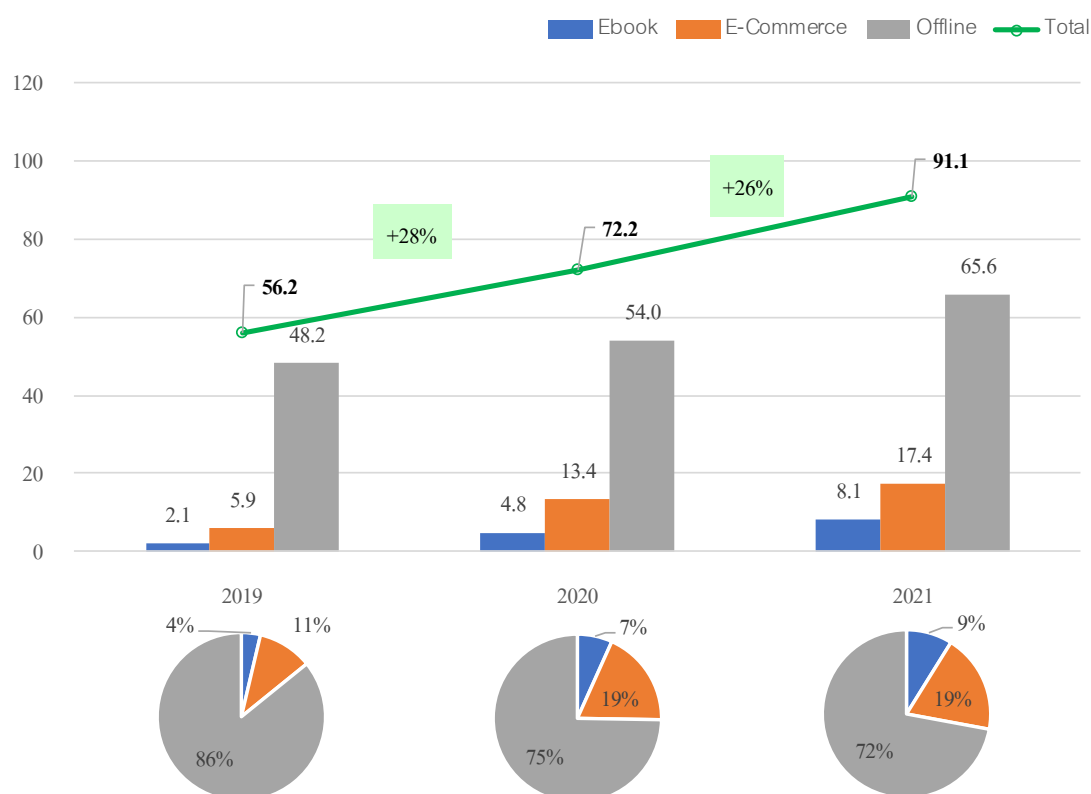
The Group leverages an expertise in manga production and earns trust to offer translation service for web comics. Income from this segment has made a new high during COVID-19 situation.

Distribution Channels

- 1) Chained bookstores (such as Nai-in, B2S, SE-ED, Chula Book, Kinokuya and Asia Book), which are notable distributors of the Company. Doing business with these chained stores, the Company directly contacts and opens account with them, instead of engaging SE-Education Public Company Limited as its sole distributor. Direct contacts with these chained stores will reduce the sale commission payable to the agency and enable the Company to understand real demand of each pocket book category and to effectively manage its inventories and costs. As regards mangas, they are distributed to agents as business to business to customer (B2B2C) distributor to local bookstores to reach mass readers, accordingly with return policy.
- 2) Book fairs and pop-up booths (such as national bookfairs and seasonal events of modern trade), which it can be the Company's standalone booth and the booth participation with the department stores.
- 3) Private and public enterprises upon one-based on demand purchase of each enterprise such as governmental agencies, private corporates, schools and universities.
- 4) Other distribution channels, including e-commerce sites and e-book platforms such as Nejavu, Lazada, Shopee, MEB and Ookbee.

Warehouse management for all publications of the Group in terms of stock on hand, inventory management, logistic management, including order receiving, picking, packing, consolidating and distributing to the nationwide customers through private logistic companies is wholly and solely operated by NGE.

Revenue Contribution of the Group's publications by Distribution Channels



(2) Market and Competition

Key Marketing Policy of the Group

Ongoing COVID-19 situation since 2020 and radical change/disruption of technology have had affected the Company's publishing business in printed format and offline distribution channels. Recently, some local bookstores closed their businesses or operated in less hours while book event organizers complied their management with government's COVID-19 controls, including social distance measures. Bookfairs gradually changed to new format of hybrid bookfair in 2021, generating revenue of THB200 million, dropped by 26.20% comparing to 2020 at THB271 million while 2020's revenue in online event format decreased by 74.62%, comparing to 2019's offline format at THB788 million. (Khaosod and Prachachat, Prachachat). These circumstances significantly affected the Company's revenue, the Company then had to adjust itself through its key marketing policies as follows:

- 1) Product development in terms of presentation and delivery to respond to the customers' needs: the Company realizes the importance on customers' feedbacks and comments to improve cost control through alignment between title selection and current market dynamics, especially in pocket book segment. Other important criteria in selection of new titles are positive reviews from target readers, previous achievement and credit of authors, ongoing trend/high rating of titles in the market while selection of manga titles is assessed for rating comparison from local and international popularity. Continuingly, long-accepting popularity momentum of leading manga characters is selected for special box set production.

Other than title selection, the Company places importance on quality control, including (a) Thai-translation from original contents of international pocket books and mangas, which must remain contextual correctness and entertainment value, (b) book layout and cover-page design which shows refined quality and attraction to target readers, (c) printing suppliers which is selected based on their capability to produce high quality and consistent printing in a timely manner; provided that these suppliers handle end-to-end services from raw material sourcing (paper and printing ink), printing, and book binding; and (d) third-party logistic providers with lowest defected rates. The Company manages relationship with publishers and authors whose works used to be printed and distributed in order to secure new works' copyrights of those authors and other authors of those publishers, which would help strengthen long-term collaboration and growth through future launch plans.

- 2) Reasonable pricing: right pricing gives the Company's competitive advantage in publishing business. Several privileges and promotions help the Company earn larger transaction value, for example, free delivery of transaction value of THB800, special discount of selected manga boxset, free limited-edition merchandise per terms and conditions. Online social media, such as Facebook and Twitter, are main marketing tools with capability to reach and communicate with larger base of target customers.
- 3) Well-established online distribution channel: COVID-19 situation and other uncertainties affect offline distribution channels and have publishers shift its channeling focus from offline to online distribution. Several action plans of the Company are to continue development of seamless online customer journey of Nejavu covering product search, effortless ordering, secured payment options, and on-time delivery and to manage relationship with suppliers, including other e-commerce and e-book platform providers.
- 4) Customer data management: the Group integrates data to deliver insightful analysis of customer segmentation, targeted marketing communication and customer engagement for long-term brand loyalty.

2021 Industry Overview, Prospective Business Landscape and Competition

In 2021, market value of publishing industry in printed format is approximately THB15,000 million, increased by 25% comparing to THB12,000 million in 2020, but lower than forecasted value at THB18,000 million. Main reason of less-than-expected number is new-normal way of living, e.g. work-from-home, hybrid workplace and hybrid learning, allowing people to spend more time on internet and consuming digital contents. People become compatible with various electronic gadgets (e-book readers, mobile phones, tablets, laptops, and desktop computers) with extended, upgraded specification. These factors elevate drastic growth of tech-related services, for example, optic-fiber internet, digital media and e-book.

According to Statista survey on readers' behavior, 71% of Thai readers used internet for certain purposes of reading e-book and news while The Publishers and Booksellers Association of Thailand (PUBAT)'s study on preferred channel of publication purchase found that 81% preferred bookstores, 61% preferred bookfairs, 51% preferred online platforms and 20% preferred e-book format.

A cancellation of book events due to COVID-19 situation has had publishers less capable of offline selling as well as postponed/canceled releases of new pocket books which impacts the charm of book events, alters readers' buying behavior and overall publishing segment's financial results. Sales volume from book events in 2021 dropped by THB70 million, accounted of 25% comparing to 2020's. On the other hand, e-commerce becomes a crucial revenue engine for publishing business because of significant growth acceleration and help ease customers' purchase decisions, including awareness and engagement via digital platform, an alternative to offline channel. Fiction segment recently has an intensifying competition because high degree of new entrants of independent authors who can produce endless titles of fiction via online platform faster and in greater amount than manga which is time-consuming in terms of varying process of granting license, translation, and quality control. Most of manga publishers of original contents can secure their leading presence in the market through dedicated strategy of ongoing creation of famous-character titles, having large customer base and quick traction of sales after releases as these readers are familiar with plot and enthusiasm of integrated-platform experiences.

Publishing industry in printed format had seen dropped in sales. Publishers therefore shift their strategies to gain digital presence via own or partner's platform for selling, driving sales, customer awareness, marketing plans for promotion and customer loyalty program through earned points so readers can gain extensive, seamless online experiences. Alternatively, e-book market has outgrown where existing and new players offer continuing channel development to reach online readers or touch points to better serve their demand which in turn generate incremental revenue.

In 2022, total global e-book market value is estimated to reach THB1,080,000 million, having Amazon as a market leader with highest market share while market value of e-book and digital media in Thailand is forecasted to double growth to THB 2,000 million in 2021. Market value of e-book in Thailand is forecasted at THB700 million with compound annual growth rate (CAGR) of 14%. (Infoquest and Markethink). Key factor to support such growth is customer base of all age being more opened to digital offerings, including cashless payment through government stimulus plan, digital purchase via e-commerce platform, and food ordering and riding service via super apps. According to internet usage statistics, Thai citizen spends more time at 8.4 hours on daily average, representing the 3rd world ranking while time spent on online social media platforms is 2.5 hours. This results in growth opportunity of digital content businesses, for example, e-library management system. E-library service allows publishers and individual writers to deliver various quality contents and platform providers to reach extensive customer base of enterprises. Such platform providers of e-book collection help fulfill growing customers' needs for speed, convenience, and reasonable pricing of product delivery.

Considering competitiveness among publishers in selected categories of manga, fiction and how-to books with similar size, status, and capability of rivalry in 2021, the income range falls between THB 50-200 million. The Group places a strong belief on global scale of manga characters, having widely acceptable fanbase as they collect publications of favorite characters since childhood and current purchasing power for further collection as hobby and interest.

The Group is one of Thailand's leading publishers with solid capability of distribution of translated manga, possession of licensed merchandises and copyrighted publications in several versions including special edition, boxset. While pocket books under umbrella brand of the Group are distinguished and trusted by copyright owners and readers in certain categories of business, marketing, and investment. An impressive foundation has strengthened the Group's capability and competitiveness in publishing market segment.

Trader	Revenue in 2020 (MB)	ROA* (%)	ROE** (%)
The Group	88	-4	-6
SMM Plus Co., Ltd.	366	1	2
NHN (Thailand) Co., Ltd.	216	6	7
Jamsai Publishing Co., Ltd.	212	14	16
Sataporn Books Co., Ltd.	101	4	10
Bongkoch Publishing Co., Ltd.	79	0	0
Glory Forever Plc.	80	10	12

Trader	Revenue in 2020 (MB)	ROA* (%)	ROE** (%)
Welearn Co., Ltd.	75	8	10

Source: Department of Business Development

* Return on asset

** Return on Equity

(3) Printing production has key processes as follows:

- 1) *Content selection*: working team conducts market survey and collect readers' feedback to validate interests and demand for certain contents. In some cases, authors and publishers who own copyrights make a direct contact to the Group for sole production and distribution because of our popularity and widely known expertise in publishing segment. The working team then select the new titles for production and sale. The preliminary criteria are plots and contents with the closest match with ongoing high demand and viable amount of customer base to meet profitable level of operations.
- 2) After selection of contents, the Group normally contacts publishers or authors who own copyright of publication for negotiation of pricing and right of reproduction. Although, in some cases for general-category pocket books, the Group approaches potential authors to request new-title writing which match recently high-demand topic and customer base. After that the authors and the Group complete contract signing in order to grant the Group the copyright for sole production and distribution within Thailand territory for 3-7 years with renewal options under same pricing and conditions. License fee for copyright is classified into two types, i.e., (1) minimum fixed rate, calculated from minimum amount of printing, or forecasted sales and (2) variable rate based on sales or printed amount.
- 3) *Process of Thai edition*: starting from translation, the Group selects translator whom possesses solid translation skill that is appropriate with the book category and the book editor to provide final proof of the translation.

After the completion of translation and its proof, the Group collects completed work of translated version and then finalize illustration, plot, and layout which sometimes are required by certain requests of copyright owner to be in the same format as an original version. Moreover, the process of cover-page design normally falls into two ways of working, including (1) special request from publishers who own copyright prefer cover-page design the same format as the

original one and (2) the Company's own final decision to prepare new design, altering from original version to suit concentrated marketing strategy in Thailand.

- 4) *Preparation of printing process*: in parallel with the process of Thai edition, the Group contacts printing suppliers for standard quotations and business terms of printing layout, pricing and delivery period and selects one who offer the most reasonable price. After completion of Thai edition, the Group conducts proof printing process to recheck the accuracy and completeness. In some cases, the Group needs to send samples to publisher of original contents, having double checks before final production.
- 5) Last process of production and distribution involves providing original content in digital format to printing supplier and having final products delivered to the Group's warehouse or any other place designated.

Retail Business

(1) Product Description and Business Innovation

Due to a continuing downward trend of publishing business growth, the Company has to seek new business with an appropriate growth even facing market turbulence and uncertainties. The Company therefore invests in retail business in the potential growth area like transportation network in Bangkok because of its distinctive offerings of wide coverage, convenience, time efficiency of massive transit to leading destinations.

The Company's retail shops under brand "Turtle" commenced its operations on BTS station to serve mainly serve BTS commuters at any gender and age by emphasizing on convenient concept and convenient purchase. Selected categories at the shop include food, beverage, personal care, skin care, beauty items and household products, which are supplied by leading and famous retailers, wholesalers and producers who work on national standard practices. Additionally, the shop offers highly marketable consignment products, including bakery under brand "After You" and gadget under brand "Xiaomi".

These offerings hold important position to meet demand of target group of customers who are BTS commuters at age of 18 and over, living and working in Bangkok and vicinities, earning moderate and up level of income, consuming social media for news update on daily basis, being compatible with cashless payment. The Company's retail area also covers commercial space on BTS station where the Company selects potential tenants having standard delivery of products and services, aligning with BTS commuters' and surrounding communities' interests at each certain location. Examples of commercialized categories are fashion products, parcel delivery service and various types of beauty services with main objective to serving as new lifestyle community on sky train stations.

The first phase of retail business on BTS of the Company includes 3 stations, namely Saint Louis station, Ploenchit station and Victory Monument station while first shop has operated at Saint Louis station since the last couple days of December 2021 and the next consecutive shops have been expected to commence their operation in the second quarter of 2022.



(2) Marketing and Competition

Key Marketing Policy of the Company

COVID-19 situation has affected the number passengers commuted by mass transit including BTS network showing a sharp drop especially BTS international commuters due to work from home policy, social distancing rule and border closure. Accordingly, Thais living in Bangkok and vicinities has become the main BTS commuters. An initial-phase implementation of a marketing strategy for brand awareness at the first Turtle shop at Saint Louis station is therefore to target Thai BTS commuters who use Rabbit cards (commuting fee) and Rabbit Line Pay application (goods payment) as a payment method and are members of Rabbit Rewards by promoting Turtle shop via online channels, for example, redemption of Rabbit Rewards points for special discounts at Turtle shop, in-store promotions, discounted items with short shelf life and new product tasting events. These strategies help build constructive relationship and positive purchase experience of customers. Additionally, brand portfolio of tenants on merchandising space play an important role in building the Company's retail ecosystem and worthy purchase experience of new retail concept.

2021 Industry Overview, Prospective Business Landscape and Competition

Retail industry has an estimated value of THB2,913,000 million in 2021 increased by THB60,000 million from 2020 (Krungsri Research) with dynamic impacts by positive and negative factors, including domestic consumption and government policies to stimulate on macro-level of household consumption. However, COVID-19 situation has unavoidably and slowed down the economy and business sectors during the past two years. Retailers, a part of retailing value chain, also face a hard hit, and need solid strategies for survival and revamp its business model to manage revenue, cost, and investment so as to balance efficiency and working capital. One of key strategies is market penetration strategy through omni-channel and fulfilment services to cater customer behavior through Chat & Shop and Click & Collect services. Offline platform has a great importance in driving impulse purchase, and attentive store layout to deliver decent shopping experience of customers while online platform offers immediate and comprehensive information of products and services. Then, any retailers with investment in IT infrastructure development helps secure its market share in the industry.

Demand of retail leasing space in Bangkok and vicinities in 2021 slightly decreased by 2.2% from 6.13 million square meters in 2020 to 5.99 million square meters while expecting an average increase by 2.3%-4% during 2022-2023 (Krungsri Research). Recently, lease operators had to support affected lessor by lowering rental fees or maintaining the rate for extended periods.

The Company is considered new entrant of retail battleground while being relatively small compared to other established players in terms of revenue, store network and size of commercial area. However, the Company believes in its retail portfolio and competitive capability in terms of potential, location exclusivity, execution of marketable plan for premium quality offerings and management team with decades of valuable retail experiences.

(3) Product sourcing for Turtle Shop

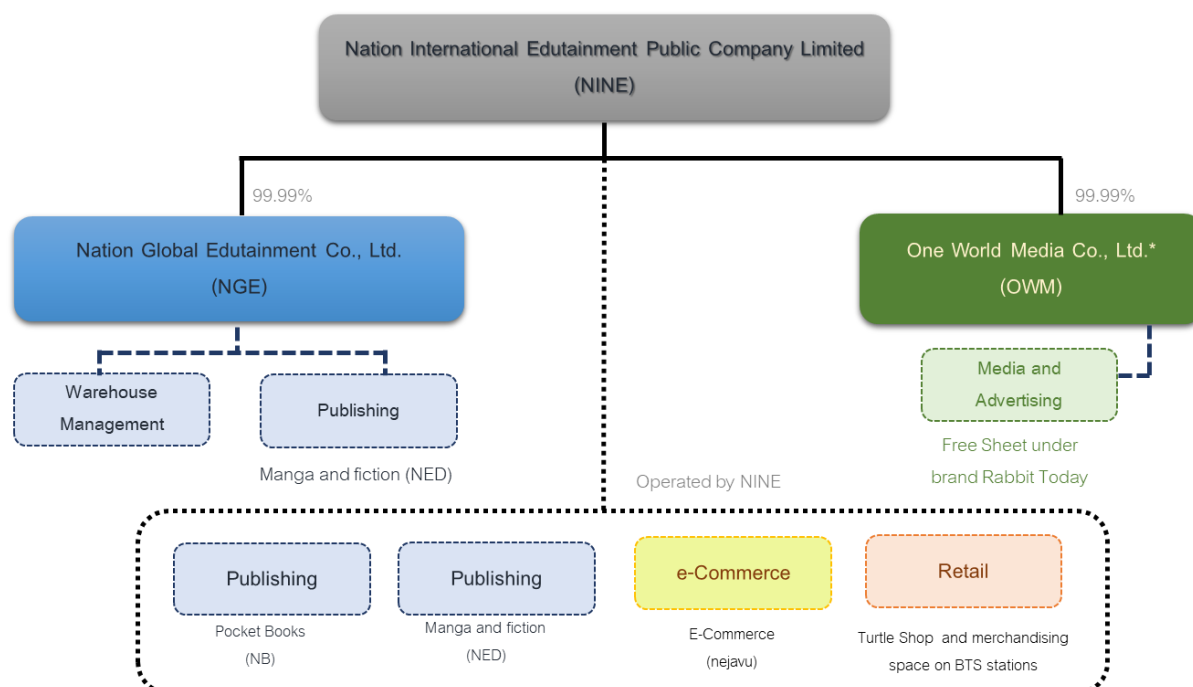
General consumer goods, ready to eat meals and raw materials for bubble tea and coffee are locally sourced from leading retailers, wholesalers, producers, and distributors with a list of 20 companies, having 1 company as a main goods provider.

1.2.3 Assets Used in Business Operations

The details of assets Used in business operations is shown in Attachment 4.

1.3 Business Structure of the Group

1.3.1 Business structure of the Group as of 31 December 2021



Information of juristic entities in which the Company holds 10% or more of the total of issued shares as of 31 December 2021

Company Name / Address	Type of Business	Shareholding (%) ²	Registered Capital (THB)	Total Issued Shares (Shares)
Nation Global Edutainment Co., Ltd. 333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Telephone: (66) 2091-5900 Fax: (66) 2091-5928	Publishing (manga and fiction)	99.99	200,000,000	200,000 (par value of THB1,000 per share)
One World Media Co., Ltd. ¹ 333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road,	Publishing (free sheet)	99.99	60,000,000	600,000 (par value of THB100 per share)

Company Name / Address	Type of Business	Shareholding (%) ²	Registered Capital (THB)	Total Issued Shares (Shares)
Chomphon, Chatuchak, Bangkok 10900 Telephone: (66) 2091-5900 Fax: (66) 2091-5928				
Trans.Ad Solutions Co.,Ltd. 21 TST Tower, 21rd Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900	Integrated Multimedia Display System Design and Installation	18.35	49,046,400	490,464 (par value of THB100 per share)
RsPlanB Co., Ltd. 27 RS Group Tower A, Prasert-Manukitch Rd., Sena Nikhom, Chatuchak, Bangkok 10900	Marketing and distribution of goods	10.00	50,000,000	500,000 (par value of THB100 per share)

Note ¹ Its commercial operations have been ceased since December 2019.

² No person who may have conflict of interest holds shares in subsidiaries or associated companies in aggregate more than 10% of the total issued shares.

1.3.2 Shareholders

(1) Top 10 shareholders as of book closing date on 30 December 2021

No.	Shareholders Name	Number of Shares	%
1.	Phillip Securities (Hong Kong) Limited ¹	175,950,000	48.133
2.	Thai NVDR Co., Ltd.	77,397,638	21.173
3.	Mr. Wanchai Panvichean	54,776,500	14.985
4.	Mr. Viroj Tangjetanaporn ²	19,550,000	5.348
5.	Mr. Anurith Kerdsinchai	17,350,000	4.746
6.	Mr. Sombat Phanichewa	6,000,000	1.641
7.	Kim Eng Securities (Hong Kong) Limited	3,106,672	0.850
8.	Mr. Sakulthorn Jungrungruangkit	1,264,000	0.346
9.	Mr. Wai yin Man	773,900	0.212

No.	Shareholders Name	Number of Shares	%
10.	Mrs. Sunita Yuwaboon	560,700	0.153
	Other	8,819,876	2.413
Total		365,549,286	100.00

Source: Thailand Securities Depository Co., Ltd.

Note ¹ Silom Road Limited holds shares through the custodian, namely Phillip Securities (Hong Kong) Limited and the ultimate beneficial owners of Silom Road Limited are Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li.

² Silom Road Limited and Mr. Viroj Tangjetanaporn are classified in the same group of shareholders and vote in the same way which in the circumstances, significant influences the determination of the Company's management or the operation policies.

(2) Type of shareholders by nationality

Shareholder by Nationality	Number of Shareholders	Number of Share	%
Thai Shareholder	684	186,430,136	51.00
Foreign Shareholder	8	179,119,150	49.00
Total Shareholders	692	365,549,286	100.00

* Articles of Association of the Company requires that the total number of shares held by those who are not Thai at any time shall not be more than 49% of total issued shares.

1.4 Registered Capital and Paid-up Capital

As of 31 December 2021, the Company has a registered capital of THB390,549,286, divided into 390,549,286 ordinary shares with a par value of THB1 per share and has a paid-up capital of THB365,549,286, divided into 365,549,286 ordinary shares with a par value of THB1 per share. Those Company's issued shares are the securities listed on the MAI. There was no other types of shares with different rights or conditions from ordinary shares and no other type of securities was issued.

1.5 Dividend Policy

The Company and its subsidiaries have a policy to pay out dividend at the rate of not less than 30% of net profit (according to the separate financial statements) after deducting corporate income tax, legal reserve as required by laws and other necessary and appropriate reserves. However, the dividend payment rate is subject to change depending on the necessity and suitability under the conditions that it must be the best interests of shareholders.

Dividend Payment Information (Past 3 Fiscal Years)

Details	2020	2019	2018
Earnings per share (THB / share)	(0.05)	(0.36)	(0.82)
Dividend per share (THB / share)	-	-	-
Dividend payout ratio (%)	-	-	-

2. Risk Management

2.1 Risk Management Policy and Plan

The Company realizes that risk management is a fundamental of achieving the Company's objectives under uncertain environment and help the Company to reduce the obstacles or to relieve any loss that may affect the Company's financial status, business operations, and business performance; on the other hand, it help the Company to seek for new business opportunities.

The Company sets risk management policies with the frameworks that (a) the Company would operate its business under the acceptable risk level to achieve the Company's business plan and corporate goal and to serve the stakeholders' needs by including risk management policy as a part of preparation of strategic planning, business model and annual budget, (b) everyone in the Company, including directors, executives, and employees, has to be responsible for the risk management by identifying, analyzing, assessing, monitoring and controlling risks which involve in their functions, i.e. activities, responsibilities and work processes.

The Company applies the Committee of Sponsoring Organizations of the Treadway Commission's risk management guidelines to improve its risk management process appropriately. Core processes of risk management consist of establishment of goals, risk identification, risk assessment, risk management, risk monitoring and reporting.

2.2 Risk Factors Involving in the Company's Business Operations

Risk factors shows in this report are risk factors that the Company deemed significant which may have a substantial impact on the Group or the holders of the Company's securities. However, other risk factors currently unforeseen or deemed insignificant by the Company may in the future have an impact on the Group or the holders of the Company's securities.

Publishing Business

(1) Risk at Warehouse in terms of Fire, Flood, and other Natural Disasters

The Group has its owned warehouse to prepare, store, pack, distribute and deliver the printed products, including pocket books, mangas, fictions and licensed merchandises, of the Group and its business partners. Therefore, warehouse is one of important factor for the Group's supply chain. Our warehouse with sufficient area to appropriately store the products is located at Bangna-Trad Km. 10 Road and is managed systematically and safety from the external environment. However, if there is any damages incurred to the Group's warehouse

whether as results of disasters, accidents or other uncontrollable circumstances, there will be significant effect to the Group's business operations. To mitigate these risks, the Group sets the clear and strict operation manual and safety policy, installs fire extinguishers covering all areas and on storage racks, annually arranges for fire training, and regularly inspects and fixes electrical equipment to be in ready-to-use condition. In addition, the Group enters into the insurance policy, both all risks and third party, to cover damages against all of its assets and products, with the amount insured being in line with the value of assets in warehouse.

(2) Risk from Error in e-Commerce Website

In the past, the Group encountered the problems on inventory management and delivery of products to the customers who ordered products via the Group's online channel due to the lack of integration between the point of sale system and warehouse management system, resulted in the customers' distrust and the effect to the Group's reputation and image. The Group well realized such effect and then studied the root causes and problems, as well as improved and developed the e-commerce website under the name "Nejavu" at www.nejavu.com with user-friendly journey. All detailed product descriptions are posted on the e-commerce website as supporting information to the customers for decision making. This e-commerce applies the point of sale system to enable the Group to immediately receive and recheck purchase order, real-time inventories and sale volume, and the 2C2P payment system, the highest security international standards, for receipt of payment. Furthermore, the Group has communication channel for its customers to directly contact with the admin of e-commerce website in order to build the customers' confidence. In this regard, the Company always continually improves and develops its system by listening to the customers' feedbacks with target to serve best experience to the customers for their satisfactions.

(3) Risk from Valuation of Inventories

Most of the Group's publications are distributed through chained bookstores with the return policy of unsold publications, thereby resulting in the leftover of inventories, which they are likely to become deteriorated and obsolete as time passes. The Group therefore focuses on selecting book titles through readers interest, feedback, and current issue to predict the suitable amount of production together with the implementation of warehouse management policy to have less inventory, in the end of each year, as low as possible. Besides, the Group has allowance policies for deteriorating, obsolete and excess inventories, in which over 12-month, over 24-month and over 36-month slowing-moving inventory are considered net value to be received from the discounting sales by 50%, 75% and 98% of the inventory value. To downsize the number of inventories, the Company has to release the obsolete inventories by offering special discount and organizing special promotion events at the

national book fair and exhibition. For a series of manga, the new-released books shall be sold along with the previously sold ones. Also, all the previously sold manga are bundled into a package to stimulate sales.

Year	2021	2020	2019	2018
Allowance for obsolete inventories (million Baht)	12.05	16.82	14.08	18.70
% Total inventories sold	15	26	29	44
Increased (decreased) from previous year (%)	(28)	19	(25)	
% Allowance for obsolete inventories				
- The Company	55	61	68	66
- NGE	45	39	32	34

(4) Risk from the Changes in Publishing Industry

Due to ongoing recession of the publishing industries, especially the traditional printed media that has gradually decreased in popularity, resulting in many publishing business entrepreneurs, who do not or are unable to adapt themselves along with changed circumstances, to experience in losses and some of them to shut down, while the others to sharply shift themselves into the digital format pursuant to the fasting leap of information technology and communication development, which has been more efficiently, instead. Because of the variety of cheaper electronic devices and the easily accessible internet and information, the people increasingly consume the digital contents based on their interest and spend more time with the electronic devices, especially manga reader base, i.e. teenagers and working people, who are more familiar with electronic devices and technology than other ages which are proven by the continued growth of e-book.

The Group foreseen the becoming of important role by these technologies and then adjusted its business strategies, including marketing and sale, to reduce expected negative effect as much as possible and to maintain the sale revenue of the Group's publishing business, such as selecting wide range of book categories to expand the reader base who will become the Group's customers, investment in technology infrastructure to serve digital era, negotiation for more e-book titles, expansion of new distribution channels on online platforms, consignment of the partners' licensed merchandises which is relating to the Group's publications on Nejavu with the intention to increase the variety of products and to be one-stop services that help save the customers' difficulties and delivery costs if separately purchasing from many websites, and providing translation service for online cartoon.

(5) Risk from Main Distribution Channels

The Group distributes its products through many channels to reach its customers based on their interests, purchasing behavior and lifestyle. Main distribution channel of pocket books is leading bookstores where the products are well organized by categories and types and then can promote product image. However, since 2017, the distributors changed its distribution policy by choosing diversified product portfolios from sale volume. Consequently, some of the Group's products are available on some branches only and it is limited the vision of readers, affected to overall sale volume and business operation of the Group. As such, the Group adjusted its distribute approach by directly contacting and opening account with chained bookstores, which helped the Group to reduce the sale commission payable to the agency, to understand real demand of each book category and to effectively manage its inventories and costs.

As regards mangas, the Group mainly distributes them through the cartoon agents, and these agents will further distribute to other small retail stops where have limited space to display the products and have less sale opportunities. These shops were also family-owned business where some of them may not have point of sales system to track the sales. However, the Group changes some strategies due to COVID-19 pandemic to strengthen this channel by selling boxset through this channel to attract readers and maintain sales.

Despite from previous main channels, the Group distributes its publications through e-commerce and e-book platforms which increasingly-growth channel as they provide convenience for the customers in term of information supporting the decision making without travelling time wasting. These can be considered as another distribution channels that help reduce risk factors arisen from main distribution channels. Revenue contribution from each channel can be considered in 1.2.2 under "Product Information" section.

(6) Risk from Procurement of Copyright

In the publishing business, the Group does not own the publication copyrights, but purchases publication copyrights from owners, both local and international authors and publishers, for exclusive production and distribution in Thailand. The term of copyright license is 3 - 7 years with the renewal options under the same terms and conditions. However, the copyright owner is entitled to terminate the contract if the Company breaches the contract and/or encounters financial problems and/or adjudicates to be bankrupt. Therefore, if the Group fails to procure the targeted copyrights for production and distribution, or the termination or the refusal of renewal of the contract by the copyright owners, it may affect the business operations, financial status, and operating results of the Group.

However, the Group has never encountered such problems over the past years as the large-scale of print market has many different options of copyrights at the purchase, and the Group has a good relationship with many famous authors and publishers, including proof of continuous accomplishment of production and distribution of printed media. So, the Group may choose and purchase the desired copyrights and is entrusted by the copyright owners for licensing copyrights for production and distribution of the products that are likely to be popular. Since the Group strictly complies with the obligations under the contracts, the Group then has no problems with being refused for contract renewal or termination. In addition, the Group plans to produce and distribute publications in various categories in terms of contents and copywrite owners and increase Thai authors portfolio to lower down the reliance on any copyright owners.

(7) Risk from Illegal Contents Duplication

There are some websites illegally offering publications, especially mangas; causing some customers to consume the free illegal publications, and to not purchase the legal products. Therefore, selecting beneficial and distinctive contents for sale in e-book format by the Group, including high-security technology and excellent services with reasonable price, are important. The Group also seeks presentation methods that are superior to those illegal websites and parallelly deals and negotiates with the admins of those websites to turn them into review and feedbacks channels instead of smuggling offering illegal publications, which the outcome is satisfied.

Retail Business

(1) Risk from the Decrease in Number of BTS Commuters

Retail business of the Company originated in the BTS system which has high growth potential along with the increasing in number of commuters from network expansion pursuant to Mass Rapid Transit Master Plan in Bangkok Metropolitan Region (M-MAP year 2010 to 2030) by the Office of Transport and Traffic Policy and Planning. If there is any factor that significantly affect the number of BTS commuters such as the delay of development as per M-MAP, political protest and demonstration or epidemic, it may cause some negative impact to the Company's business, financial positions, and business performance.

COVID-19 pandemic has started since 2020, the government agencies then have to issue and enforce some control policies and measures such as work from home, avoid crowded area and social distancing. These policies made the number of BTS trips and commuters who travel within the core green line (Silom line, connecting National Stadium station and Saphan Taksin station, and Sukhumvit line, connecting Mo Chit station and On Nut station) sharply dropped by 40% (data from BTS Rail Mass Transit Growth Infrastructure Fund).

However, the Company hopes that after people have been vaccinated, governmental agencies have relaxed COVID-19 restrictions, and borders have opened to welcome tourists, the number of BTS commuters would be recovered to the normal situation and have stability growth in the future. Therefore, the Company developed its products and services which can serve need of the BTS commuters, such as ready to eat meals, beverages, bakery, gadgets, parcel delivery service and fashion products, so BTS station will be destination for high quality products and services. In addition, the Company placed an important on the survey and research of BTS commuters' behavior and community around stations for analyzing the customers' needs in order to precisely serve the right products and services to its customers.

(2) Inventory Management Risk

Turtle shop's main products can be divided into 2 types, which are (a) fresh food and (b) consumer goods. Some of them have 1 to 5 days shelf life so there will be some leftover to clear. If supply turnover does not meet the estimated customers' demands, it may cause low sales and high cost of services that have negative effect to the Company's business, financial positions, and business performance. Therefore, the Company sets the frequency for delivery of the retailers, the wholesalers and the suppliers and applies technology information system for data analysis of inventory and sale management, including supply turnover and sale promotion and activity feedbacks to increase the efficiency of cost management, cost controlling and warehouse management, and to purchase the suitable products from the retailers, the wholesalers and the suppliers at each order in the sufficient number for sale in Turtle Shops at each location.

(3) Recruitment Risk

Retail business is the Company's new business unit. The Company then needs the suitable amount of high experienced and expert people to run this business, which sometimes seeks within the limitation of time. To minimize this risk, the Company reorganized its corporate structure to support this business including Turtle shop and back office. Since the Company decided to invest in this business, it prepared and planed for job posting and training for Turtle staffs aligning with shop construction and opening plan of each branch. In addition, the Company had reasonable compensation management policy that is attractive and competitive with other corporations in the same industry to minimize turnover of shop staffs, save recruitment and training cost, and to successively maintain the service standard of Turtle shop.

Apart from those business risks mentioned earlier, the Group still have the risk from having a major shareholder who holds over 50% of total issued shares. As of 31 December 2021, Silom Road Limited (holds the shares through its custodian, Phillip Securities (Hong Kong) Limited) and Mr. Viroj Tangjetanaporn hold 195,500,000

shares, representing 53.48% of the total shares having right to vote, and then influence the policy determination and the management of the Group, as well as having controlling power and rights to veto in any significant matter, that is required by laws or the Company's articles of association, a vote of no less than three-fourths of the total number of votes of shareholders attending the meeting and being entitled to vote, at the shareholders' meeting. However, the Company carries out its business by abiding in and adhering to the good corporate governance, including the equitable treatment of shareholders, the set up of the policy on the entry into the connected transaction with directors, major shareholders, controlling person and person who may have conflict of interest, where such interested person is not entitle to cast approval vote for such transaction for transparency purpose, the appointment of an independent director to conduct check and balance in terms of monitoring the executives' performance and protecting minority shareholders' benefits. Over the past years, such major shareholders always supports the Group's business.

3. Business Driven for Sustainability

3.1 Sustainability Policy and Management Objectives

The Group operates its business based on good corporate governance and social and environmental responsibility. It considers all groups of stakeholders in value chain of business from its business nature, which it believes to be a part of thing that serves and facilitates the people life so as to achieve the sustainability objectives, whether the creation of well-balanced business opportunities and growth, the corporate risk management including monitoring new emerging risks, business activities and decision-making (not to cause negative impact, but to focus on positive results for society and environment), building and developing corporate innovation and interaction and co-operation with relevant stakeholders.

Governance

The Group operates and manages its business fairly, transparently and auditably in accordance with good corporate governance principles and business ethics, including anti-corruption guidelines as well as compliance with the laws and regulations required by regulatory bodies. In addition, it strengthens and supports the corporate governance and risk management by embedding them as a part of the Group's corporate culture.

Environment

The Group operates and manages its business with due care for the impact on the environment. Therefore, it commits to develop the environmentally friendly products, reduces non value workflow and manages resource appreciatively and efficiently by reducing the amount of wastes caused by the Group's business operations including supporting and promoting the environmental conservation projects or activities.

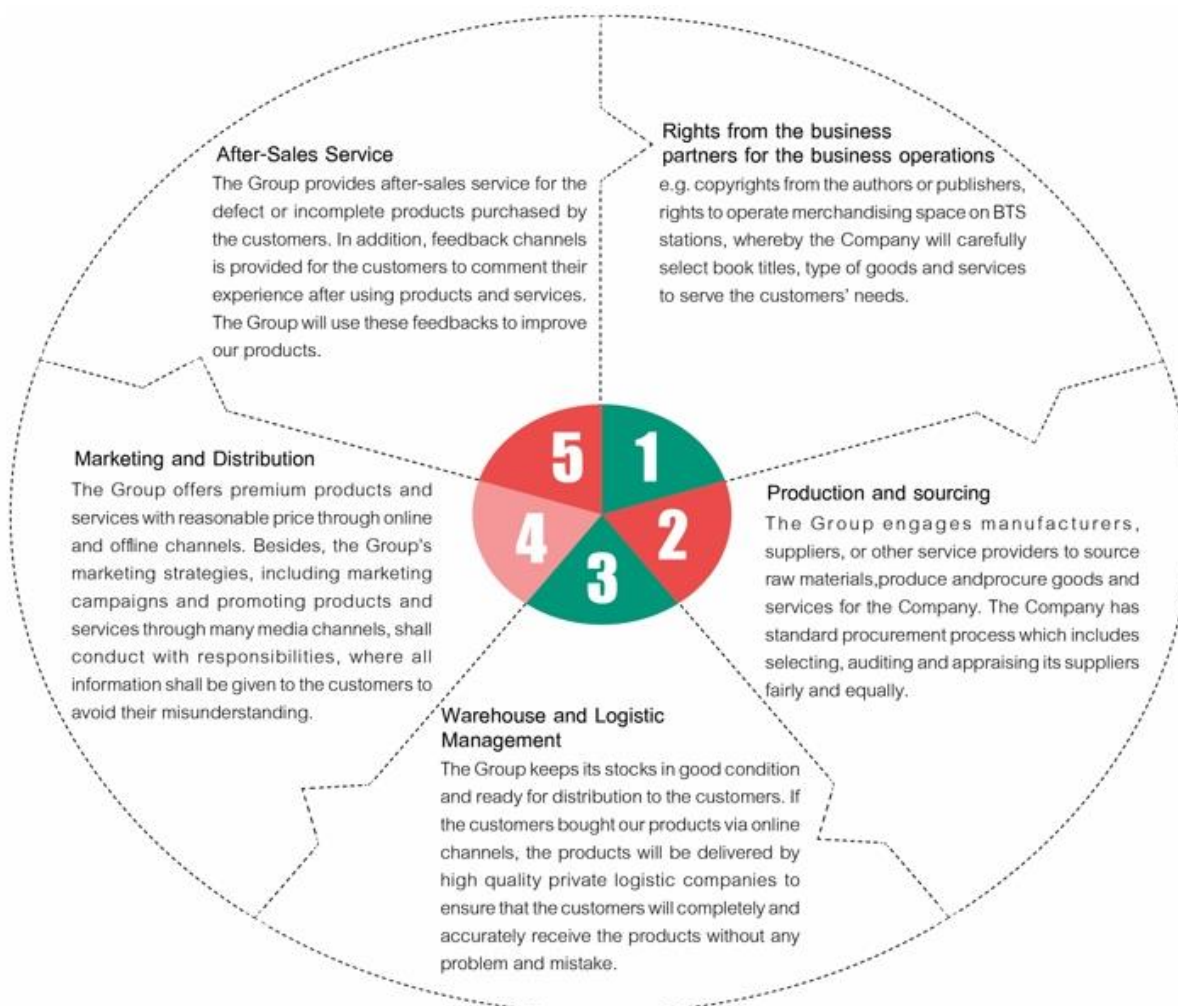
Society

The Group operates and manages its business with responsibility for all stakeholders, both of internal and external of the organization, for example, focusing on and supporting to the creation of benefit to society and community, especially around the head office and Turtle shop (collectively, the “**Business Place**”), passing on the happiness to the community, and equitable and fair treatment of all employees based on human rights, in terms of employment, remuneration and welfare, safety and hygiene in the workplace, development of employees' skills and working capabilities.

3.2 Management of Impacts on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

5 main business activities of the Group



To enhance the Group's main business activities to achieve the goals, the Group has various supporting activities, such as, (a) personnel management, starting from the recruitment process, development of personnel skills and capabilities, performance evaluation, remuneration and personnel retention, (b) risk management which includes process of risk identification, risk assessment, risk management, implementation of risk management plan and oversight of such implementation, and reviewing and improving risk management plan, (c) information technology system to manage the Group's information and (d) building a relationship with stakeholders.

3.2.2 Analysis of Stakeholders in the Business Value Chain

The Group gives an importance on all groups of stakeholders, both of internal and external of the organization, to ensure that they are treated appropriately, equally and fairly as the Group believes that maintaining good relationship with each group of stakeholders is key to growing its business value, sustainable development and long-term success.

Stakeholder	Stakeholder Expectations	Response to Stakeholder Expectations
Internal Stakeholders		
Shareholders	<ul style="list-style-type: none"> - Transparent and auditable business operations under good corporate governance - Growth, stable and sustainable operating performance 	<ul style="list-style-type: none"> - Reporting the Company's operating performance on quarter and annual basis by disclosing the accurate information in timely manner - Reporting the Company's information memorandum through the SET's disclosure system - Holding the annual general meeting of shareholders and the extraordinary general meeting of shareholders so that the shareholders to acknowledge the operating performance and to consider and approve the material transaction of the Group - Preparing and monitoring the implementation of the corporate governance policy, code of conduct and business ethics, and operation manual, including policy and sub-practice
Employees	<ul style="list-style-type: none"> - Equal and fair treatment based on respecting fundamental human rights in accordance with laws and regulations - Appropriate remuneration and welfare - Employee training and development and career advancement - Good working environment. 	<ul style="list-style-type: none"> - Preparing written work regulations and announcing the same to employees (if changes) for them to adhere equally and fairly - Exploring and improving the Company's remuneration and welfare to be able to compete with the company in the same industry - Encouraging the employees to attend training courses both internal and external of the organization. - Creating the good corporate culture, work environment, safety and hygiene at work

Stakeholder	Stakeholder Expectations	Response to Stakeholder Expectations
External Stakeholders		
Customers	<ul style="list-style-type: none"> - Various quality and safety products and services at reasonable prices - After-sales service, product warranty, defect product return 	<ul style="list-style-type: none"> - Developing products and services by listening to the customers' opinions and feedbacks to precisely respond to customers' needs - Checking the quality of products before delivery and delivering the quality and accurate products to the customer in accordance with the shipment policy - Arranging after-sale service staff to respond to the customers' inquiries
Trading Partners	<ul style="list-style-type: none"> - Fair and transparent procurement process - Compliance with agreed terms in agreement - Joint creation of long-term sustainable business value chain 	<ul style="list-style-type: none"> - Preparing and monitoring the compliance with the limit of authority, procurement and disbursement operation manual, which is based on fairness, transparency and auditability - Complying with agreed terms in agreement - Meeting with trading partners to hear their opinions and recommendations and to jointly improve the work process
Business Competitors	<ul style="list-style-type: none"> - Free trade and fair competition without monopoly or trade barriers 	<ul style="list-style-type: none"> - Treating competitors fairly within the legal scope, code of conduct and business ethics of the Company - No trading terms that prohibit the Company's partner doing business with the Company's business competitors
Community and Society	<ul style="list-style-type: none"> - Operating business with safety and concern for both of positive and negative impact on society and community including the environment - Being a part of society and community 	<ul style="list-style-type: none"> - Listening to the opinions of society and community around the Company's branch - Supporting the community by arranging the activities or projects

3.3 Sustainability Management in Environmental Dimension

3.3.1 Environmental Policies and Practices

The Company realizes the severity of the global warming and climate change which facing around the world, and views that the business sector is a part that can help slow down and minimize the severity of this situation. Therefore, the Company places an importance on its business operation with the responsibility to environment and commits to reduce the negative impact to the environment from work and business processes, procedures and activities of the Group. It determines the environmental material matters covering the efficient and well use of resources including the water and electricity, and the appropriate waste management and minimization.

3.3.2 Environmental Performance

1. Use of Resources

For the purpose of environmental conservation and energy saving, the Company sets guidelines for improving the efficiency of the use of resources involving in the Company's business operations by promoting the employees at all levels to use resources appreciatively for the best benefit as follows:

- Electricity consumption minimization, such as reducing the number of lamps, turning the lamps on sparingly, turning the lamps off during lunch break, turning off the computer screen when not in use, regularly monitoring and maintaining the electric equipment in workplace.
- Water consumption minimization, such as regularly checking the leakage of water supply pipe, with the aim to reduce the risk of water shortages in the future.
- Paper consumption minimization by utilizing both sides of paper sheet, not printing unnecessary documents, preparing and filing documents and reports such as meeting documents in electronic format, improving online work process and sending documents via e-mail, which will facilitate information searching.

2. Waste Management and Minimization

Although the Group does not produce the products and services by itself, the Group has process to manage and reduce the amount of waste generated in the Company's operations to be disposed at a minimum level through the number of production orders, including the pre-order for special products, the preparation of products database for product turnover analysis, the promotion and discipline for the employees at all level to

DORAEMON CLASSIC SERIES

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รอบตู้

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ปราศจากยาฆ่าแมลง

ประตูบานใหม่
เข้ากันกับรูปแบบหนังสือ
โดราเอมอน เคน 0

ตัวอักษร "โดราเอมอน" บนปก
เป็นฟอยล์สีดวเพรีเมียม

ประตูบาน
2 ชั้น

ปรับประตู ให้
เข้าล็อก

ขนาด 12.5x17.8 ซม.

ใช้กระดาษ คุณภาพสูง

โดราเอมอน
DORAEMON CLASSIC SERIES

EYESHIELD 21 Boxset

Complete Collection 2021

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ด้านหลัง

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เข้ากันกับรูปแบบหนังสือ
EYESHIELD 21

ประตูบาน
2 ชั้น

ปรับประตู ให้
เข้าล็อก

ขนาด 12.5x17.8 ซม.

ใช้กระดาษ คุณภาพสูง

EYESHIELD 21

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The Company has plan to set the concrete environmental performance goals and indicators in the future.

3.4.1 Social Policies and Practices

The Group commits to operate its business with responsibility to society and community throughout the value chain of business under the relevant laws, rules and regulations of the Company. It considers the good corporate governance and the rights of stakeholders by means of its fair business operations, uninvolvement in fraud and corruption, respect for human rights, responsibility to consumers, and social and community development activities.

3.4.2 Social Performance

1. Fair Business Operations

The Group operates its business in fair manner. It adheres to the compliance with agreed terms having with the trading partners, business partners and customers under the legal scope and framework, rules and regulations, avoids transactions or actions that may cause conflict of interest, non-infringement on the intellectual property, promotes of free trade, and opposes all forms of fraud and corruption from any act undertaken by using unauthorized power with the zero corruption target within the organization.



This can be proven by the Company's recertification of a membership of Thailand's Private Sector Collective Action Coalition Against Corruption. In 2021, no report or complaint claiming that the Group's business operations were unfair and unlawful was submitted to the Group.

2. Respect for Human Rights

The Group prioritizes the respect for human rights, individuality and human dignity by treating all groups of stakeholders fairly and equally without discrimination on the grounds of differences in personal character, race, skin color, national origin, gender, religion, age, physical ability, sexual orientation, political opinion, social status, education or any other status.

3. Fair Treatment to Employees

The Group recognizes that employees are the most valuable resource in business operations and key factor driving the organization to success, therefore it is committed to create the good corporate culture and working environment, including work as a team and fair and equitable treatment of employees based on the respect for human rights, whether in terms of employment, remuneration and welfare, safety and hygiene in the workplace, and the development of skills and capabilities of the employees. In addition, the corporate goal and direction are communicated to employees regularly through message from the Chief Executive Officer and town hall. The Group's performance on employees' treatment can be considered in section 7.5, Information on Employees.

4. Responsibility to Consumers

The Group emphasizes the quality of its products and services, especially for the consumer safety, therefore the materials and components of products and services are carefully selected from the trading partners, such

as adopting eye care paper (green read) for all pocketbooks under brand Nation Books, which preserves the reader's eyesight by reducing the reflection of light into the eyes, applying food directory serial number of FDA number for ready-to-eat meal under brand Turtle. In addition, the Group sells its products and services at a reasonable price without exploiting consumers by providing sufficient and complete information on product and service, including promotion activities, for decision-making in purchasing. This is to build the confidence in the standard of products and services under the Group's management, together with the development of the Group's products and services to serve the consumers' satisfaction.



Information on consumers, which the Group receives from its business operations, shall be kept systematically with security measures and shall only be processed as permitted by laws.

5. Social and Community Development

The Group operates its business with concern for safety and impact on society and communities including environment, both positive and negative, by listening to the opinions of society and community around the branch of the Group. Furthermore, the Group supports and participates in activities or projects that aim to improve the society and uplift the quality of community life. In 2021, no report or complaint regarding the Group's business operations was submitted by the surrounding communities. However, to reduce the risk of COVID-19 spreads, the Group does not support and participate in social and community development activities or projects in 2021.

6. Business Operations During the COVID-19 Pandemic

The COVID-19 pandemic has severely affected the business operations of organizations and the people life. The Group has prepared itself to deal with the situation and therefore has set the measures and practices for business operations under the COVID-19 crisis so as to run the business operations without any interruption. The main goal is to use its best effort to take care of (i) employees' and customers' well-being, safety and

occupational health and (ii) the Group 's stakeholders on a basis of social responsibility, concurrently with the help in reducing the spreads of the COVID-19.

Main measures and guidelines of business operations under the COVID-19 pandemic can be summarized as follows:

Head Office	Turtle shop
<ul style="list-style-type: none"> ● Providing temperature screening checkpoint at the entrance and exit of the head office ● Providing hand sanitizer alcohol gel around the office areas as appropriated ● Requesting for the cooperation with the head office employees to wear face mask at all time when in the office areas ● Disinfecting the office areas regularly ● Changing working hours at the head office to avoid crowded public transportation 	<ul style="list-style-type: none"> ● Providing temperature screening checkpoint and point for Thai Chana registration and customer registration form at all entrances and exits of the Turtle shop ● Providing hand sanitizer alcohol gel around Turtle shop areas as appropriated ● Enforcing strict rule for Turtle shop's staffs and customers to wear face mask at all time when in the Turtle shop areas ● Keeping social distance, including providing a transparent acrylic partition between staffs and customers at cashier point or any other point required customers to queue up inside the Turtle shop ● Providing electronic payment channel to avoid cash contact

4. Management Discussion and Analysis

4.1 Summary of the Operating Results for the Past Fiscal Year

Core businesses of the Group are divided into two segments as follows:

1. Publishing business
 - 1.1 Production and distribution of pocket books
 - 1.2 Production and distribution of youth-targeted publications
2. Retail business on BTS stations, the Company owned retail store management under the brand “Turtle”, and leasing areas.

The Board of Directors’ meeting on 11 November 2019 resolved to approve the cessation of business of One World Media Co., Ltd. or OWM, a publishing (free sheet) operator with effect since December 2019, and that was not included in the discontinued operation as of 31 December 2018. Therefore, the profit and loss statements was restated to separately present the discontinued operation from on-going operations pursuant to the Auditor Reporting On Going Concern.

As regards the consolidated financial statements of the Company and its subsidiaries for the fiscal year ended 31 December 2021, it was reported a net profit (excluded comprehensive income) of THB 43.12 million, total comprehensive income of THB 23.62 million, and a sum of net profit and other comprehensive income of THB 66.74 million, increased by 1,656% compared to 2020 where the Company faced loss of THB 4.29 million. Key highlights of operations in 2021 are as follows:

1. Total revenue in 2021 is accounted of THB 117.48 million, increased by 48.92% compared to 2020 with key supporting items as follows.
 - Income from product selling in the amount of THB 83.04 million, increased by 23.31%, primarily due to incremental units of (1) pocket books and (2) mangas in single and boxsets formats sold.
 - Income from service offerings in the amount of THB 13.26 million, increased by 93.01%, due to increamental units of (1) e-books of pocket books and mangas and (2) translation service of webtoon.
 - Dividend income in the amount of THB 16.34 million from investment in subsidiaries and other incomes in the amount of THB 4.84 million.

2. Costs and other expenses in 2021 is accounted of THB 119.56 million, increased by 9.38% compared to 2020 with supporting factors as follows:

- Cost of goods and services in the amount of THB 57.65 million, increased by 9.58%, which relatively increased from new book title releases in printed format and business expansion in translation service for webtoon.
- Selling and administrative expenses in the amount of THB 60.39 million, increased by 9.05% compared to the past year, due to (1) an employment of retail teams to support new business initiative and (2) construction and development costs of new business initiatives on commercial area of BTS station since the second quarter of 2021.
- Interest expenses and bank fee in the amount of THB 1.52 million, increased by 15.15%.

Operating Results of the Group's Business by segments

A. Revenue

Revenue of the Group can be classified by segment as follows:

Business Segment	Operated by	2021		2020		2019	
		MB	%	MB	%	MB	%
Publishing Business ¹							
1. Pocket books	NINE	23.02	19.60	16.54	20.96	19.27	29.22
2. Youth-targeted publication	NINE / NGE	73.24	62.34	57.62	73.04	37.05	56.19
Retail Business ²	NINE	0.04	0.03	-	-	-	-
Other revenues ³		21.18	18.03	4.73	6.00	9.62	14.59
Total Revenue		117.48	100.00	78.89	100.00	65.94	100.00

Note ¹ including revenue from publication in printed and e-book formats in all distribution channels

² a new business of the Company which commenced at the end of December 2021

³ i.e., revenue from dividend payment, interest income, revenue from sale of scraps and others

1. Revenue of Publishing Business

1.1 Revenue from production and distribution of pocket books

In 2019, the Company had revenue from pocket book segment at THB 19.27 million which declined by THB 0.89 million, or equivalent to 4.41% compared to the prior year at THB 20.16 million. Main revenue still derive from publications both in printed and e-book formats sold via offline and online channels. Such compared revenue

shown a consistency of non-materially, expected growth of publishing business. The Company adjusted sale strategy by focusing on the distribution through online platforms to be in line with the consumers' behaviour.

Additionally, the Company placed an importance on selecting titles, capturing potential market demand and extended customer base. The Company has continued to focus on production and distribution of pocket books in best-selling categories, including health, investment and management, development psychology and howto, for example, Ketogenic Diet: What to Eat?, the Airbnb Story, Perdsitch Pradit Idea, The Element, Buffettology.

In 2020, the Company had income from pocket book segment at THB 16.54 million which declined by THB 2.73 million, or equivalent to 14.17% compared to the prior year at THB 19.27 million. The corresponding decline in sales was mainly due to (1) low number of new titles debuted regarding a declining prospect of market demand in 2020 and (2) greater leverage of online distribution to complement declining sales via agent distribution. Additionally, the Company launched segmentation strategy, offering concentrated sub-brands for in-depth target marketing of each customer segment, namely NB Horror, NB Lite and NB Money Club. Having relatively high consumer demand, the Company focused on certain categories, including healthy habits, management and investment, development psychology with best-selling titles of Leadershift, Jhasuemjhasao Kaoparndai, Late Bloomer, Shunkan Kiokujutsu, Stress Zero No Ikikata, Saigo No Page Wo Mekurumade, Ranchiu, Answer Game, Muemaihoon Longtungeng, Think Like a Rocket Scientist, Pleinsandarn Sangissaraphabtanggarn-ngern, Ginbang Oddbang Sukhapharpdee Maimeepuay, Daredemo Kantan ni Tsukarenai Karada Ga Te Ni Hairu Noshuku Suimin Method, etc.

In 2021, the Company had income from pocket book segment at THB 23.02 million which increased by THB 6.48 million, or equivalent to 39.18% compared to the prior year at THB 16.54 million. Even the Company reduced its new book title releases, it can manage marketing strategies of each sub-brand to be clearer, whether in terms of content quality, sale promotion and distribution channel especially online channel that can precisely and effectively reach targeted customers. There were 3 main distribution channels. The first distribution is online platforms, known as "Marketplace," including Shopee.co.th, Lazada.com, Lnwshop.com, Dexclub.com and nejavu.com (the Company's owned e-commerce platform) with key sales promotion of "free delivery fee for large basket value". The Company redirected marketing strategy through newly diversified online distribution to reflect dynamic consumer demand including co-promotion with distinguished partnerships, namely Thaibookfair.com. Secondly, modern trade is described as chained stores of notable publishing brands, having strong presence of both offline and online distribution. After the relaxation of the COVID-19 control measures, these stores resumed their normal operations since the second quarter of 2021, chained stores have strategic characteristics in terms of standardized store layouts and customer services. The last main distribution is a collection of leading online-store websites which help strengthen the Company's income as a channel substitute of seasonal book fair events

1.2 Revenue from production and distribution of youth-targeted publications

In 2019, the Group had income from youth-targeted publications at THB 37.05 million which increased by THB 6.80 million, or equivalent to 22.48% compared to the prior year at THB 30.25 million. The publications are mainly mangas in printed and e-book formats through offline and online distribution channels of key partnership platforms. Additionally, copyrights of manga in e-book format were firstly granted in 2019.

The Company continued its collaboration with e-book platform providers to serve fast-changing markets and build its presence among disruption of advanced technologies. Convenient choices of digital-compatible electronic devices available in the market influenced consumer behavior, increased consumption of e-book and printed manga in which allowed the Company to capture new income growth.

In the post-period of organizational restructuring, the Group focused on superior delivery of online distribution of manga with newly granted and previous-inked copyrights based on individual case-by-case basis. The online channel is prioritized for generating incremental sales and complementing channels of modern trade and local agents. Some of these agents impacted by government's COVID-19 controls, facing low number of operating hours and longer cash cycle conversion, and later discontinued their businesses. Additionally, the Company leveraged e-commerce channel to reach extended base of targeted customers and to influence consumer behaviors through frequent sales promotion, offering free delivery of large basket value and effortless selection of sub-brand publication. Online channel allows the Company to grasp potential market demand with right offerings, especially boxset having concrete base of willingness-to-spend readers and book collectors as well as high rate of sales conversion after debuts.

However, the Group terminated the collaboration with The Walt Disney (Thailand) Co., Ltd. ("Disney") in 2019, derecognizing income in the categories of children book and skill development. The Group still distribute its printed products via book fair events, including seasonal book fairs and National Book Fair with extensive sales promotion, including premium product giveaways of certain basket value. Interim debuts of new titles in 2019 included One Punch Man Vol. 17-19, New Prince of Tennis Part 2 Vol.9, Platinum End Vol. 9-11, Hunter X Hunter Vol.34, World Trigger Vol. 9-10, JoJo's Bizarre Adventure Part 8 Vol. 16-18, JO JO NIUM Vol. 5-8, Blue Exorcist Vol. 19-20, Dragon Ball Super Vol. 4-6, BORUTO Vol. 5, Kuroko Replace Plus Vol. 3, Doraemon (Big Book) Vol. 10-18, Naruto, Naruto Ultimate Ninja Storm Vol.1-3, 20th Century Boy Vol.2-4, etc. These best-selling titles are mostly in forms of individual volumization and serialization.

In 2020, the Group had income from youth-targeted publications at THB 57.62 million which increased by THB 20.57 million, or equivalent to 55.52% compared to the prior year at THB 37.05 million. The Group main distributable products are serialized set of widely known mangas, including Slam Dunk, Steel Ball Run and Doraemon with mass customer base and long-standing popularity over period of times. An aggregation of income

from existing and new titles with newly inked copyrights included (1) some best-selling titles which were reprinted couple times in consecutive years, (2) annual launch of new titles and (3) e-books. External factors to support such income growth are new-normal workplace and educational policies, namely Work from Home, hybrid workplace and online classroom, resulting in large adoption of e-book consumption.

Due to ongoing effects of COVID-19 pandemic, Publishers, and Booksellers Association of Thailand (PUBAT), a leading event organizer of book fairs, have gradually shifted national book fair into online platform since 2019 via [www. Thaibookfiar.com](http://www.Thaibookfiar.com) with participating publishers of both members, non-members of PUBAT, including the Group. The online event offered collection of books at publishers' booths with extensive promotions to attract target readers. The interim debuts of new titles in 2020 with ongoing popularity include Naruto, Bleach, One Punch Man, Platinum End, Boruto, JoJo's Bizarre Adventure, JO JO Lion, JOJONIUM, MASTER KEATON, Death Note Pocket Edition, Blue Exorcist, Doraemon, Crayon Shin-chan, Slam Dunk, Dragon Ball Super, Hunter X Hunter, Kuroko no Basuke - Replace PLUS, 20th Century Boy, Pokemon Special, Dragon Ball, Claymore, Yoshinozuikara, Let Me Eat Your Pancreas, Mata, I Had That Same Dream Again.

In 2021, the Group had income from youth-targeted publications at THB 73.24 million which increased by THB 15.62 million or equivalent to 27.11% compared to the prior year at THB 57.62 million. The COVID-19 outbreak in April 2021 was worse than the first wave in 2020, however, the Company's revenue was increase because (a) the Group sold more manga in e-book formats with contract execution of existing and new copyrights. Behaviors and lifestyles of readers during COVID-19 pandemic have resulted new parterns of frequent online purchases of grocery shopping and food ordering as well as working from home pratices. Growing behavior of online platforms allows the Company's products to effectively access larger base of existing and new readers in substitution of event channeling. According to 49th National Book Fair in 2021, organizer adapted into hybrid model of both offline and online platforms where offline platform complied with social distancing rule while most of attendants were familiar with online purchases and easily adapt into the hybrid model, (2) translation service of web comics, (3) new releases of manga boxsets of titles with massive popularity of readers and high rate of sales conversion, including Doraemon, Eyeshield, Thus Spoke Kishibe Rohan and Ninja Hattori-kun. Key promotional tools of discounts and premium-merchandise giveaways are to influence readers' purchases via the Company-owned platform, www.nejavu.com, resulting in higher adoption rate of the Company's marketplace and diversified distribution channels.

The interim releases of new titles in 2021 include 20th Century Boys, Baragamon, BEASTARS, Blue Exorcist, BURN THE WITCH, Buroto, Dead Dead Demon's, Death Note Pocket Edition, Dragon Ball, Dragon Ball Super, Eighteen, JO JO Lion, Kishibe Rohan, MASHLE, Master Keaton, New prince of tennis, One punch man, Platinum, Pokemon special, Pokemon XY, Real, Samurai 8, Super Dragon Ball Heroes, Yozakura family, Fantasy Bishoujo Juniku Ojisan to, Crayon Shin-chan, A girl who can't speak thinks "She is too kind.", I Can't Be an Honor Student!

The Reason Why the Serious Mashiro is at a High School for Delinquents, I Can't Be an Honor Student!, Arisugawa in the Beautiful World, Oda Cinnamon Nobunaga, Kemono Jihen, Keep Your Hands Off Eizouken!, Crayon Shin-chan, Insomniacs After School, Gijin, I Had That Same Dream Again, Kotou General Manager, Yoshinozuikara, Meika-San Can't Conceal Her Emotions, Atarashii Ashi de Kakenukero, Tsuyoshi - No one can win, against him and Handa-kun.

2. Revenue of Retail Business

In 2021, the Group launched new business initiative of retail management on BTS commercial areas through operations of (1) retail store under brand “Turtle Shop,” (2) vending machines under the name “Turtle Drink & Snack” on platform level, and (3) leasing space. The first commencement of retail store, and leasing operations, comprised of more than 400 square meters at Saint Louis station, started on 28 December 2021. The retail income is recognized in December 2021, accounted of THB 0.04 million while revenue of two subsequent stores will be recognized in the second quarter of 2022. This retail concept helps elevate new retail ecosystem for proximity communities along BTS system network. Well-known Turtle Shop's partnerships help enrich customer experience through convenient, quality value of products and service offerings, including Rabbit Rewards loyalty program, bakery brand of After you, gadget brand of Xiaomi, cosmetics brand of Karmart. The Company continues to emphasize new partnership acquisition to optimize customer experience at Turtle Shops and urban lifestyle of BTS commuters and proximity communities in a fast and quality way.

3. Other revenues

The Company's other revenues divided into two segments which are (1) educational business which discontinued since 2020 and (2) other non-educational businesses

In 2019, the Group had other incomes at THB 9.62 million which declined by THB 4.74 million, or equivalent to 33.01% compared to the prior year at THB 14.36 million while other incomes in 2020 are recorded at THB 4.73 million, decreased by THB 4.89 million, or equivalent to 50.83% compared to 2019. However, in 2021, the Company generated other incomes relatively higher than the previous year from THB 4.73 million to THB 21.18 million which increased by THB 16.45 million, equivalent to 347.78%

B. Cost of products and services

Type of costs	2021		2020		2019	
	MB	% ¹	MB	% ¹	MB	% ¹
Cost of copyrights – books	11.92	12.38	11.15	15.04	5.67	10.07
Other costs	45.73	47.49	41.46	55.87	33.59	59.64
Total cost of products and services	57.65	59.87	52.61	70.89	39.26	69.71

Note ¹ proportional cost to revenue of products and services

Cost of copyrights are accounted of 10.07%, 15.02% and 12.38% of total revenues for the fiscal year 2019, 2020, and 2021, respectively. An incremental cost of copyrights in 2019 compared to 2018 was mainly due to high production from growing market demand, especially volumized units of manga and existing books (in form of bundled collectable sets after the last volume released). An elevation of cost of copyrights in 2020 was in line with an increase of newly granted copyrights of collectable sets and volumized units. In 2021, cost of copyrights increased by 6.91% comparing to the prior year and was owing to newly inked copyrights of collectable sets, volumized units and e-books.

Other costs, mostly involves with publishing business, are accounted of 59.64%, 55.87% and 47.49% of total sale and service revenues as the end of 2019, 2020, and 2021, respectively. An decrease of cost of copyrights in 2019 compared to 2018 was mainly due to no excuted copyright for production and sales of Yomiuri Shimbun in printed format. In 2020, the Group produced and distributed a greater number of printed units which was an appropriate proportion of first copy cost to revenue. Despite an increasing level of (1) production and sale of new titles of bundled collectable sets, volumized units and (2) a webtoon translation service, a proportion of cost of products and services to revenue has been seen a downward trend from a continuing economy of scale of printed and digital publications.

C. Other selling and administrative expenses

Type of expense	2021		2020		2019	
	MB	% ¹	MB	% ¹	MB	% ¹
Administrative expenses	22.34	23.20	19.59	27.41	18.72	33.24
Employee salary and fringe benefits	45.38	47.12	32.38	44.85	37.32	66.26
Marketing and sale expenses	6.10	6.33	1.92	2.66	3.20	5.68
Loss on absolute stocks and provision	-	-	(0.31)	(0.43)	(41.31)	(73.35)
Others	(11.91)	(12.39)	3.12	4.32	2.56	4.55
Total other selling and administrative expenses	61.91	64.29	56.70	76.42	20.49	36.38

Note ¹ proportional cost to revenue of products and services

Administrative expenses are accounted of 33.24%, 27.41% and 23.20% of total revenues for the fiscal year 2019, 2020, and 2021, respectively. Administrative expenses in 2019 increased by THB 2.44 million compared to 2018 mainly due to the increases of office rental expense from new office relocation since 2018 and leasehold improvement by THB 0.86 million while 2020's administrative expenses increased by THB 0.67 million from other fees which were non-financial costs. In 2021, administrative expenses recorded an increase of 2.75 million mainly from additional consultation fees for retail business at THB 2.21 million.

Employee salary and fringe benefits are accounted of 66.26%, 44.85% and 47.12% of total revenues for the fiscal year 2019, 2020, and 2021, respectively. In 2019, the Group recorded a relatively increasing cost of employee benefits amounted to THB 3.03 million since the Group is required to amend a post-employment benefit plan which included the additional pays of (1) 400-day (initially 300 days) compensation as severance pay for certain-retirement employees in accordance with to the new labour laws and (2) overall employee benefits. In 2020, employee salary and fringe benefits declined by THB 4.94 million due to discontinued operations of subsidiaries in the fourth quarter of 2019. In turn, a decrease of consolidated employee salary and fringe benefits in 2020 was owing to an absence of employee benefits of its subsidiaries. However, employee salary and fringe benefits in 2021 rebounded to a sharp increase of THB 13.00 million mainly from an employment of new retail team of THB 8.92 million.

Marketing and sale expenses are accounted of 5.68%, 2.66% and 6.33% of total revenues for the fiscal year 2019, 2020, and 2021, respectively. Marketing and sale expenses in 2019 decreased by THB 9.59 million because of redirection in marketing plan of event channeling, which still included participation of seasonal book fairs and National Book Fair, but pop-up stores. The Group prioritized the penetration of online distribution channel and good cost control. In 2020, marketing and sale expenses declined by THB 1.28 million in 2020 from an implementation of these strategies while figure in 2021 significantly increased by THB 4.18 million to support growing demand of printed products via both offline and online distribution channels, namely events and online commerce. The collaboration with other leading publishers and department stores for participation of pop-up booths and book fairs drives brand awareness, consideration, and purchase. These partnerships help the company in high sale conversion and inventory turnover of new title releases and special bundle deals, resulting in an increasing cost of THB 0.88 million. The other highlighted expenses in marketing and sale activities are online marketing expense which increases by THB 1.71 million and research and development expenses for new product development and retail business which increase by THB 1.24 million.

There were reversed transaction of bad debts and allowance for bad debts of related parties which recorded at THB 41.95 million and provision for doubtful debts of other trade related parties which recorded at THB 0.63 million in 2019. In 2020, the Group recorded reversed transaction of a provision of obsolete fixed assets at THB 0.21 million and bad debts and allowance for bad debts of related parties at THB 0.12 million. In 2021, the Group

recorded reversed transaction of provision for doubtful debts at THB 0.53 million and additional bad debts and allowance for bad debts at THB 0.53 million.

Other expenses, comprised of professional fees, interests paid and others, are accounted of 4.55%, 4.32% and (12.36%) of total revenues for the fiscal year 2019, 2020, and 2021, respectively. In 2019, the Group generated slightly higher revenue than expense which amounted to THB 0.02 million while the Group had maintained ongoing policies to manage operational and cost efficiency. Other expenses recorded by THB 0.56 million in 2020 mainly due to additional expense recognition from increasing interest expenses of leasehold improvement pursuant to Thai Financial Reporting Standard. No. 16: Leases. In 2021, other expenses were reported an decrease of THB 15.03 million from a reversed transaction of accrued expenses in which trade suppliers have had no payment request for transaction closing for a long period of time, amounted to THB 14.92 million.

D. Gross Margin and net margin

Gross margin ratios are accounted of (36.08%), 27.91% and 38.52% of total revenues for the fiscal year of 2019, 2020, and 2021, respectively. In 2019, gross margin ratio recorded a slight decline of 1.52% mainly due to no executed-copyright revenue from Yomiuri Shimbun throughout the year however, the Group continued debuts of the other new titles of which partial income generated could substitute income from Yomiuri Shimbun. The ratio in 2020 recorded an increase of 63.98% mainly owing to (1) high growth rate of revenues of printed, digital publications and (2) commission fees from consignment products of third-party sellers. A huge increase of ratio in 2020 additionally was because of the Company's competency building in cost control and no loss of discontinued business of subsidiaries since 2019. In 2021, gross margin ratio recorded an increase of 10.61% due to significant sales of (1) well-known manga across several formats of volumized units, boxsets, e-books and (2) pocket books in key categories of management and marketing with consistent launch throughout the year. These two types of publication, firstly launch in 2021, gained quick popularity and high sales conversion while the Company carefully produced at a certain level of first-copy units which match current consumer demand. Additionally, e-books could be sold more from existing (previously sold in printed formats) and new titles after copyright granted. Despite higher cost of translation services of webtoon, overall publishing business is better managed through leveraging cost.

Net margin ratios are accounted of (123.72%), (32.89%) and 36.31% of total revenues for the fiscal year 2019, 2020, and 2021, respectively. In 2019, the Group generated a net loss because of materially discontinued operations of subsidiaries while 2020's saw significant improvement from (1) no loss on obsoleted stocks and provisions and (2) net loss of discontinued operations of subsidiaries. In 2021, the Group activated tight management in terms of operating cost efficiency to penetrate online channel via partnership platforms, including Shopee, Lazada. The Group also had incremental expenses from new retail business in 2021 for supporting business expansion.

Financial Positions

1. Assets

As of 31 December 2021, total assets recorded at THB 501.77 million, increased by THB 121.89 million, or equivalent to 32.09% compared to the previous year. Key assets are comprised of cash and cash equivalents, right-of-use assets- accumulated depreciation and allowance for impairment of buildings and equipments, short-term investments, trade receivables, other non-current financial assets, inventories, other current assets, and intangible assets with ratios in proportion to total assets as of 31 December 2021, at 51.29%, 19.33%, 9.97%, 4.00%, 3.93%, 3.87%, 2.67% and 2.08%, respectively. The changes of key assets are summarized below:

Trade receivables

Unit: Million Baht

	31 Dec 2021	31 Dec 2020	31 Dec 2019
Trade and other receivables - related:			
Aged on the basis of due dates			
Not yet due	13.12	10.65	5.40
Past due			
Up to 6 months	6.89	5.86	7.41
6 - 12 months	0.04	-	0.27
Over 12 months	-	0.54	-
	20.05	17.05	13.08
<u>Less:</u> Allowance for doubtful accounts	(0.01)	(0.54)	(0.66)
Allowance for goods returned	-	-	-
Net Amount	20.04	16.51	12.42
Total Trade Receivables	20.04	16.51	12.42

The Group's trade receivables are comprised of trade receivables of related parties and unrelated parties with adjustment policy of provision of doubtful debts in which the Group maintains such provision based on aging analysis of receivables due dates, including (1) provision of >180 days (6 months) past due at 50% and (2) provision of >365 days (12 months) past due at 100%. The Group usually identifies certain trade receivables with high chance of unability to pay in the future for collection profiling while estimating consolidated receivables to set up provision amount and write-off trade receivables with more than >12 month past due. Additionally, the Group's inventory management practices also include an adjustment of allowance for goods returned on past 12-month average basis with quarter check to maintain appropriate level of the allowance.

To manage risk against COVID-19 situations, the Group prepared relief plan of an extended period of credit to some long-serving trade customers for the Group's business continuity. An average period of credit falls between 15 to 90 days. Main trade customers are agents, and leading chained stores with long period of business relationship and ongoing transactions. If it is new trade customer, it must place trade deposits. The Company's trade payable is consisted of rolling credit term of 45-90 days for transactions with printing companies as the company's major suppliers.

As at the end of December 2019, the Group had trade payable of THB 12.42 million, declined by THB 1.36 million or equivalent to 10.45% compared to the prior year. A decreasing level of trade payable in 2019 is owing to trade receivable payment from customer of unrelated parties. In 2020, the Group had trade payable of THB 16.51 million, increased by THB 4.09 million or equivalent to 32.93% compared to the prior year. In 2021, the Group had trade payable of THB 20.04 million, increased by THB 3.53 million or equivalent to 21.38% compared to the prior year mainly due to growing sales of printed and digital books.

Inventories

Unit: Million Baht

	31 Dec 2021	31 Dec 2020	31 Dec 2019
Available-for-Sale Goods	30.89	30.58	28.63
Less: Allowance for obsolete stocks	(12.05)	(16.82)	(14.08)
Right to recover returned products	0.59	1.33	0.48
Net Amount	19.43	15.09	15.03

The Group maintains provision policy of obsolete stocks to align with consumer trend and its direction of core business. The direction emphasizes on marketability of printed products and effectiveness of profit generation. In 2021, the Group recorded additional write-off of obsolete stocks to maintain good level of inventory while reestimating a lower level of obsolete-stock provision for deteriorated, old stocks, which equals to net estimated amount of sale from normal operations less sale expenses as detailed follow:

	Net Expected Amount
>12-month aging of products	50% of inventory value
>24-month aging of products	75% of inventory value
>36-month aging of products	98% of inventory value

A decision of adjusting low-level provision of obsolete stock shall be directed by the Company's executives at the end of every calendar month. However, the Group still sell its products across selected distribution channels as planned.

As at the end of December 2019, the Group recorded inventories of THB 15.03 million, increased by THB 2.55 million, or equivalent to 20.43% compared to the prior year. An increasing level of inventories in 2019 was mainly due to continuing launches of new and existing titles and agile inventory management in line with changing customer behavior. The Group maintained focus on event channeling through seasonal book fairs, national book fair, CSR activities, sale promotion activities and participation of pop-up booths while managing risk of unsold stocks through production and sale of printing titles with high marketability.

As at the end of December 2020, the Group recorded inventories of THB 15.09 million, increased by THB 0.06 million or equivalent to 0.40% compared to the prior year. An increasing level of inventories was due to continuing launches of new titles; however, during the year, the Group also followed certain inventory management operations and policies to maintain the suitable inventory level. The Group still sold its product through seasonal book fairs, national book fair, CSR activities, sale promotion activities and participation of pop-up booths, as well as selection of titles that was in line with the market demand.

As at the end of December 2021, the Group recorded inventories of THB 19.43 million, increased by THB 4.34 million or equivalent to 28.76% compared to the prior year mainly due to more production of manga boxsets, result in to the effective revenue generation. The Group optimized sales data for new title launch plan in terms of production criteria, key characteristics of new titles are high marketability and sales conversion potential. Sale activities played important roles in achieving target sales through (1) penetration of offline distribution of agents and chained store, event collaboration with publishers, department stores and (2) sales promotion.

Cash, Cash Equivalents and Short-term Investment

As at the end of December 2019, the Group recorded cash and cash equivalents of THB 257.40 million, declined by THB 81.35 million, or equivalent to 24.01% compared to the prior year mainly due to (1) net cash flow from operating activities amounted to THB 75.96 million, (2) incremental short-term investment of THB 0.41 million and (3) cash outflow from purchase of intangible assets amounted to THB 4.18 million.

As at the end of December 2020, the Group recorded cash and cash equivalents of THB 173.94 million, declined by THB 83.46 million or equivalent to 32.42% compared to the prior year mainly due to (1) net cash flow from operating activities amounted to THB 16.39 million, (2) cash outflow from purchase of intangible assets amounted to THB 6.24 million, (3) cash outflow from purchase of investments in trading securities and debt securities amounted to THB 175.96 million, (4) gain from sale of investments in trading securities amounted to THB 147.13 million, and (5) cash outflow from investment in its subsidiaries amounted to THB 30.82 million.

As at the end of December 2021, the Group recorded cash and cash equivalents of THB 257.37 million, increased by THB 83.43 million or equivalent to 47.96% compared to the prior year owing to (1) net cash flow from operating activities amounted to THB 29.85 million, (2) cash outflow from purchase of intangible assets

amounted to THB 6.01 million, (3) net cash received from sale of investment in its subsidiary amounted to THB 40.72 million, (4) dividend income of THB 16.34 million and (5) investment in unrelated company amounted to THB 5.00 million.

Intangible Assets

As at the end of December 2019, the Group recorded intangible assets of THB 6.40 million, decreased by 87.01% compared to the prior year mainly due to realized loss of obsolete assets of discontinued businesses of THB 28.8 million.

As at the end of December 2020, the Group recorded intangible assets of THB 7.39 million, increased by 15.47% compared to the prior year due to (1) an incremental software licensed fees amounted to THB 2.35 million, (2) software (under development) of THB 0.69 million and (3) an incremental of licensed fees of publications amounted to THB 4.35 million.

As at the end of December 2021, the Group recorded intangible assets of THB 10.43 million, increased by 41.14% compared to the prior year due to (1) an incremental licensed fees of software amounted to THB 4.56 million, (2) software (under development) of THB 3.53 million for capability enhancement of both publishing and retail businesses.

B. Source of Capital

Shareholders' Equity

As at the end of December 2019, the Group recorded shareholders' equity of THB 274.03 million, declined by THB 99.73 million or equivalent to 26.69% compared to the prior year because net loss amounted to THB 98.94 million, causing an incremental of accumulated loss and a decline of shareholders' equity.

As at the end of December 2020, the Group recorded shareholders' equity of THB 309.65 million, increased by THB 35.61 million or equivalent to 12.99% compared to the prior year because of the acquisition of LDD's ordinary shares, resulting in shareholders' equity of non-controlling interests of the subsidiaries of THB 39,78 million. The Group recorded gains from (1) net loss of THB 26.38 million and (2) proceeds from sales of securities of THB 22.20 million, causing a slight increase of accumulated loss.

As at the end of December 2021, the Group recorded shareholders' equity of THB 336.62 million, increased by THB 26.97 million or equivalent to 8.71% compared to the prior year mainly due to net profit from operations of THB 43.12 million, resulting a slight decline of accumulated loss. The Group gained on sale of 195,500,000 LDD's ordinary shares, with a par value of THB 1 at the sale price of THB 34.50 per share, totaling THB 87.99 million. The impacts of such transaction were a decline of shareholders' equity of non-controlling interests of the subsidiaries and an increase of shareholders' equity.

Liabilities

Main contributable liabilities at the end of fiscal year of 2019, 2020, and 2021 are comprised of trade payables, other payables and accrued expenses, and net current portion of lease liabilities with ratios in proportion to total assets. These ratios in 2019 are amounted to 1.43%, 7.08% and 0% compared to 2020's of 1.43%, 7.57% and 2.55%, respectively and 2021's of 1.89%, 8.57% and 18.44%, respectively.

As at the end of December 2019, the Group had liabilities of THB 44.61 million, declined by THB 30.98 million or equivalent to 40.98% compared to the prior year because of a decline of other current liabilities by THB 27.04 million, equivalent to 65.85%, to THB 14.02 million from accrual payment of royalty and trademark fees of THB 15.57 million.

As at the end of December 2020, the Group had liabilities of THB 70.23 million, increased by THB 57.43% compared to the prior year mainly because of an increase of accrued expenses by THB 6.68 million, equivalent to 77.86%, to THB 15.26 million, which most of them were purchase of publication royalty fees and net current portion of lease liabilities amounted to THB 3.35 million.

As at the end of December 2021, the Group had liabilities of THB 165.15 million, increased by THB 92.92 million, equivalent to 135.16% compared to the prior year because of an increase of other payables and accrued expenses by THB 16.51 million, equivalent to 108.19%, to THB 31.77 million mainly from expenses from project development – construction of retail store at BTS Saint Louis station and net current portion of lease liabilities of THB 6.35 million.

C. Liquidity

In 2019, the Group recorded current asset ratio of 9.03 times, increased by 3.24 times of the prior year mainly due to (1) a decline of current assets amounted to THB 86.17 million, equivalent to 22.49% which has a lower proportion to a decline of current liabilities amounted to THB 33.29 million or equivalent to 50.30%. Higher current assets in comparison to current liabilities drives high liquidity. Quick ratio recorded at 8.22 times, increased by 2.89 times of the prior year because a declined sum of cash and cash equivalents, short-term investment and trade receivables had a lower proportion to a decline of current liabilities. Additionally, level of inventories picks up by THB 2.07 million because of releases of new and reprinted titles which are in line with business restructuring plan. The Group prioritized key measure of high marketability of new titles to tighten production and sale activities and maintain good inventory management. The Group recorded a decline of cash cycle from 176 days in 2018 to 105 days in 2019, decreased by 71 days because average collection period recorded a decline from 86 days in 2018 to 70 days in 2019. Average sales period recorded 53 days in 2019 which increased from 2018 by 6 days. Payable turnover recorded 18 days in 2019 which declined from 2018 by 9 days. Payable turnover relatively recorded higher than receivable's because main suppliers were new printing companies whose credit

term granted in shorter days. The Group negotiated for extended credit terms of payables while granting trading customers, namely dealers, in shorter terms of receivables from 60 days to 45 days. These policies helped strengthen the Group's liquidity while sales from products and services dropped by 29.96%. Main assets are accounted of cash and cash equivalents, short-term investment, trade receivables and inventories in proportion of total assets with respective figures of 80.78%, 0.17%, 3.89%, and 4.57%.

In 2020, the Group recorded current asset ratio of 5.75 times, decreased by 3.28 times of the prior year mainly due to (1) a decline of current assets amounted to THB 31.75 million, equivalent to a decline of 10.69% mainly because of a decline of cash and cash equivalents from the purchase of ordinary shares of subsidiaries of THB 70.01 million and (2) an increase of other receivables from the sales of trading securities of THB 46.68 million. The Group recorded an increase of current liabilities of THB 13.25 million equivalent to 40.29%, resulting in low liquidity. Quick ratio recorded at 4.13 times, decreased by 4.09 times of the prior year because of a declining sum of cash and cash equivalents, short-term investment, and trade receivables while current liabilities heightened up. Additionally, Inventories slightly increased year on year by THB 0.05 million because of normal operations of new and reprinted title releases. The Group maintained prioritization of high marketability and good inventory management. The Group recorded an increase of cash cycle from 105 days in 2019 to 138 days in 2020, increased by 33 days because average collection period recorded 72 days, increased by 2 days compared to the prior year. Average sales period recorded 100 days, increased by 47 days compared to the prior year. A decline of inventory turnover period was a result of a significantly large amount of goods and service cost. Payable turnover recorded 34 days which increased by 16 days compared to the prior year because the Group maintained its liquidity through supplier negotiation for extended credit terms of payables while sales from products and services in 2020 increased by 28.22%. The Group's main assets were accounted of cash and cash equivalents, trade and other receivables and inventories in proportion of total assets with respective figures of 45.79%, 17.76%, and 3.97%.

In 2021, the Group recorded current asset ratio of 5.13 times, decreased by 0.62 times of the prior year mainly due to (1) an increase of current assets amounted to THB 57.47 million, equivalent to an increase of 21.67% which had a lower proportion to an increase of current liabilities amounted to THB 94.92 million, equivalent to an increase of 135.16% resulting in a lower level of liquidity. Quick ratio recorded at 4.55 times, declined by 0.42 times of the prior year because sum of cash and cash equivalents, short-term investment, and trade receivables reported a high rate of increase than sum of current liabilities. Level of inventories picked up year on year by THB 4.34 million because of relatively high level of pocket books available for sale amounted to THB 7.81 million. An absence of offline seasonal events especially National Book Fair played a vital role in abruptly high level of stocks while remaining stocks of mangas were lower because of their highly marketable bundled collectable sets and special boxsets. The Company diversified a collection of concentrated product segments across distinctive distribution channels. The Company recorded an increase of cash cycle from 106 days in 2020 to 139 days in

2021, increased by 33 days. Average collection period recorded 68 days, decreased by 2 days compared to the prior year. Average sale period recorded 108 days which increased by 5 days compared to the prior year while average payment period recorded 47 days which declined by 12 days compared to the prior year. The Group's collection ability period was shorter than sales period's, impacting liquidity of the business while sales from products and services increased by 47.78%. The Group penetrated distribution channels strategically by focusing on marketplace and partnership platforms for printed and digital publications. The Group's main assets are accounted of cash and cash equivalents, trade and other receivables and inventories and right-of-use assets in proportion to total assets with respective figures of 51.29%, 4.00%, 3.87% and 19.33%.

Cash Flow from Operational Activities

In 2019, the Group recorded operating cash flow amounted to THB 76.96 million, declined by THB 6 million, equivalent to 7.23% compared to the prior year mainly due to loss before tax for the year of THB 99.19 million, which slightly reduced by THB 60.44 million from 2018 as a result of the realization of loss on allowance of decline in value of inventories and provisions. Despite the increasing inventories and trade payables, the Group's other items declined which included trade receivables, other payables, and accrued expenses.

In 2020, the Group recorded operating cash flow amounted to THB 16.39 million, declined by THB 60.57 million or equivalent to 78.70% compared to the prior year due to loss before tax for the year of THB 29.84 million which slightly reduced by THB 69.35 million from 2019 as a result of none of allowance of decline in value of inventories and provisions. In addition, the Group's trade and other receivables which mainly was receivables from proceeds of sale of trading securities, trade and other payables, accrued expenses and inventories were increased.

In 2021, the Group recorded operating cash flow amounted to THB 29.85 million, increased by THB 13.46 million or equivalent to 82.14% compared to the prior year due to loss before tax for the year of THB 2.08 million which reduced by THB 28.34 million from 2020. The significant increase of operating cash flow in 2021 was mainly consisted of proceeds from sale of other current financial assets in subsidiaries and dividend income of THB 57.06 million, the reversed transaction of trade payables of THB 14.39 million. The Group's trade receivables were decreased while inventories, trade and other payables and accrued expenses were increased.

Cash Flow from Investing Activities

In 2019, the Group recorded a negative figure of investing cash flow amounted to THB 4.39 million, decreased from THB 67.28 million in 2018. A decline of investing cash flow was mainly from cash paid for acquisitions of other current financial assets of THB 0.44 million and proceeds from interest income received of THB 3.64 million. The Group had cash paid for acquisition of leasehold improvements and equipment and acquisition of intangible assets amounted to THB 3.53 million and THB 4.18 million, respectively.

In 2020, the Group recorded a negative figure of investing cash flow amounted to THB 63.92 million, declined from THB 59.53 million in 2019 which was mainly from net cash paid for acquisitions of investments in subsidiaries of THB 30.82 million, cash paid for investment of trading and debt securities of THB 117.13 million, proceeds from sale of trading securities of THB 147.13 million, interest received of THB 1.74 million and cash paid for acquisitions of intangible assets of THB 6.24 million.

In 2021, the Group recorded a significant increase of investing cash flow amounted to THB 129.02 million, increased by THB 192.94 million which was mainly cash paid from investment of trading and debt securities of THB 267.41 million, proceeds from sale of trading securities of THB 336.77 million, interest received of THB 0.91 million and cash paid for acquisitions of intangible assets of THB 6.01 million.

Cash Flow from Financing Activities

In 2019, the Company recorded no financing cash flow while in 2020, the Company recorded payment of lease liabilities amounted to THB 3.15 million. In 2021, financing cash flow of THB 15.74 million is consisted of payment of lease liabilities and dividend paid to non controlling interests of subsidiaries amounted to THB 3.41 million and THB 12.33 million, respectively.

4.2 Factors or events in material effects of future financial or operating performance

4.2.1 COVID-19 Pandemic

According to social distancing control, distribution channel of both publishing and retail businesses has faces material effects. The Company redirected business focus and executed business continuity plan to tackle such risk, which were youth-contented publications was initially distributed by local agents who had faced working capital risk. Some of these agents owned less bearing ability to handle the ongoing COVID-19 outbreak and closed their businesses even with same credit terms offered. The Company diversified distribution channel of these agents into marketplace of the very own and e-commerce partners, including Nejavu, Shopee and Lazada, rectively for agile inventory management. However, event channeling had largely impacted pocket book segment from a continuingly low number of seasonal offline events since 2020. The Company turned business focus into new titles with relatively high marketability, especially management and marketing categories.

Nonetheless, concentrated sub-branding strategy helps drive strong brand loyalty across key existing distribution channels of both offline and online. This allows the Company to grow its customer lifetime value from new customer acquisition and retaining existing customers and strengthen its brand image. This can be seen in 2021 business performance that it was not significantly affected by the COVID-19 pandemic.

4.2.2 Printing Publications with Significant Market Demand

The Group continues to strengthen efficiency of supply chain (i) for the right balance between inventory level and market demand through market analysis, trending contents and popularity and customer feedback, (ii) for strengthening strategy on new title release, especially for volumized units and boxsets of mangas, which get quick and good market responses and (iii) for forecasting right level of printing for good inventory management and low risk of provision of obsolete stocks. The Group continuously developed its marketplace website at nejavu.com to better serve customers for improved customer journey from ordering to after sale services. Online commerce plays a vital role to manage the unexpected mainly due to real-time communication and understanding of consumer insights through news update, public relation and sales promotion which help guide customers to effortless shopping experience with minimal time spend and variety of units purchased. Furthermore, growing sales of e-book since 2020 helps lower risk of inventory management. Production of new quality titles through right distribution channel therefore has direct impacts to the abilities to revenue seeking and cost management in publishing business.

4.2.3 A Decrease in Number of BTS Commuters

New normal control measures have altered people's lifestyle to suit current situations under certain policies implemented by most companies, including work from home policy which directly results in a decline of BTS commuting demand; for example, great number of international tourists is wiped out in which significantly impact retail income of "Turtle Shop." The Group redirects its target customers to those Thais who live in Bangkok and possess spending power. Store's offerings focus on distribution of food, well-known brands of bakery and lifestyle gadgets while the Company continues to pursue market research and product development to gain deep insights of customers for creating new opportunistic additions of value-added transaction value and frequency of purchase. Accordingly, the Company cultivates long-term customer relationship through partnership with Rabbit Rewards loyalty programme. Main features of the loyalty programme include point collection and in-store redemption for discounts to gain customer satisfaction, value-for-money shopping experience, referrals and repeat purchases. The Group aims to deliver convenient touchpoint of high-quality offerings and to create new shopping destination which caters to match rush-hour lifestyle of urban people, BTS commuters and proximity communities.

Despite the growing investment cost from store expansion, the Company places an importance on cost management, including license to manage and operate merchandising space, for derivation of economies of scale. Furthermore, the Company reasonably invests to build competitive advantage through IT infrastructure enhancement and sales promotion plan to influence customer purchases, facilitate fast-changing demand with responsive strategies and roll-out plans and optimize distribution channels to be in line with proper levels of liquidity, annual budgets and working capital.

4.3 Important financial information

4.3.1 Table of Summary on Consolidated Financial Statements

Nation International Edutainment Public Company Limited and Subsidiaries

Statement of Financial Positions

as of 31 December 2019 – 2021

Unit: Million Baht

Assets	2021	2020	2019
Current assets			
Cash and cash equivalents	257.37	173.94	257.40
Current investments	9.02	0.06	0.54
Trade accounts receivables	20.05	16.52	12.41
Accrued income	3.20	2.21	1.55
Other current receivables	0.20	46.75	1.56
Inventories	19.43	15.09	15.03
Other current assets	13.40	10.63	8.46
Total current assets	322.67	265.20	296.95
Non-current assets			
Investment property	-	72.41	-
Leasehold improvements and equipment	50.03	8.75	11.43
Right-of-use assets	96.99	12.66	-
Intangible assets	10.43	7.39	6.40
Deferred tax assets	-	-	1.97
Other non-current financial assets	19.73	11.71	-
Other non-current assets	1.92	1.76	1.89
Total non-current assets	179.10	114.68	21.69
Total assets	501.77	379.88	318.64

Nation International Edutainment Public Company Limited and Subsidiaries

Statement of Financial Position

as of 31 December 2019 - 2021

Unit: Million Baht

Liabilities and shareholders' equity	2021	2020	2019
Current liabilities			
Trade accounts payables	9.48	5.41	4.55
Other current payables	11.23	13.52	14.02
Accrued expenses	31.77	15.26	8.58
Current portion of lease liabilities	6.35	3.35	-
Income tax payable	-	0.56	-
Other current liabilities	4.12	8.04	5.74
Total current liabilities	62.95	46.14	32.89
Non-current liabilities			
Lease liabilities, net of current portion	92.51	9.68	-
Provision for employee benefits	8.65	12.19	11.21
Other non-current liabilities	1.04	2.22	0.51
Total non-current liabilities	102.20	24.09	11.72
Total liabilities	165.15	70.23	44.61
Shareholders' equity			
Share capital - Authorised share capital	390.55	390.55	390.55
Share capital - Issued and paid-up share capital	365.55	365.55	365.55
Share premium on ordinary shares	342.65	342.65	342.65
Retained earnings (deficits)			
Appropriated - statutory reserve	10.65	10.65	10.65
Deficits	(382.23)	(448.97)	(444.74)
Equity attributable to owners of the Company	336.62	269.88	274.11
Non-controlling interests of the subsidiaries	-	39.77	(0.08)
Total shareholders' equity	336.62	309.65	274.03
Total liabilities and shareholders' equity	501.77	379.88	318.64

Nation International Edutainment Public Company Limited. and Subsidiaries

Statements of Comprehensive Income

for the fiscal year ended 31 December 2019 - 2021

Unit: Million Baht

	2021	2020	2019
Revenues			
Sales and service income	96.30	74.21	56.32
Other income	21.18	4.67	9.62
Total revenues	117.48	78.88	65.94
Expenses			
Cost of sales and services	57.65	52.61	39.26
Selling and distribution expenses	60.39	55.38	61.24
Impairment loss	-	-	(41.31)
Total expenses	118.04	107.99	59.19
Profit (loss) before finance costs and income tax expenses from continued operation	(0.56)	(29.11)	6.75
Finance cost	1.52	1.32	0.56
Income tax	(5.51)	(3.47)	(0.52)
Profit (loss) for the year from continued operation	3.43	(26.96)	6.71
Loss for the year from discontinued operation	39.69	0.46	(105.65)
Profit (loss) for the year	43.12	(26.50)	(98.94)

Nation International Edutainment Public Company Limited and Subsidiaries

Statements of Comprehensive Income (continued)

for the fiscal year ended 31 December 2019 - 2021

Unit: Million Baht

	2021	2020	2019
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial loss - net of income tax	(1.63)	-	(0.79)
Gain on investments in equity instruments through other comprehensive income - net of income tax designated	25.25	22.20	-
Other comprehensive income for the year	23.62	22.20	(0.79)
Total comprehensive income for the year	66.74	(4.30)	(99.73)
Profit (loss) attributable to			
Owners of parent	43.12	(26.56)	(98.95)
Non-controlling interests	-	0.06	0.01
Profit (loss) for the year	43.12	(26.50)	(98.94)
Total comprehensive income (expense)			
Owners of parent	66.74	(4.35)	(99.74)
Non-controlling interests	-	0.06	0.01
Total comprehensive expense for the year	66.74	(4.29)	(99.73)
Basic and diluted profit (loss)			
per share from continuing (Baht)	0.01	(0.07)	0.02
Basic and diluted profit (loss)			
per share from discontinuing operations	0.11	-	(0.29)

Nation International Edutainment Public Company Limited and Subsidiaries

Statement of Cash Flows

for the fiscal year ended 31 December 2019 – 2021

Unit: Million Baht

	2021	2020	2019
Cash flows from operating activities			
Profit (loss) for the year	43.12	(26.44)	(98.94)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>			
Tax expense (income)	(5.07)	(3.41)	(0.25)
Depreciation	14.48	12.60	18.70
Loss on allowance of decline in value of inventories	(0.53)	(0.12)	(41.31)
Loss on inventories devaluation (reversal of)	(4.77)	2.74	(0.13)
Right to recover to returned product (reversal of)	0.74	(0.85)	(0.48)
Impairment losses	-	-	30.45
(Gain) loss on disposal of leasehold improvements	-	-	2.34
Loss on written-off of withholding tax	0.65	0.05	0.11
Gain on disposal and write-off of equipments	-	(0.06)	0.05
Gain on fair value adjustment of investments in debt securities	(3.02)	(1.81)	-
Trade and other payable (reversal of)	(14.39)	-	-
Allowance for goods returned (reversal of)	(2.31)	3.84	0.45
Non-current provisions for employee benefit (reversal of)	1.08	0.99	1.62
Unrealised (gain) loss on exchange rate	0.53	(0.05)	(0.91)
Unrealised (gain) loss of investment in a subsidiary	(40.72)	-	-
Dividend Received from investments	(16.34)	-	-
Interest income	(0.91)	(1.52)	(3.86)
Interest expense	1.52	1.32	0.59
	(25.95)	(12.72)	(91.57)
Changes in operating assets and liabilities			
Trade accounts receivable and other receivables	(5.43)	(4.50)	(51.63)

Nation International Edutainment Public Company Limited and Subsidiaries

Statement of Cash Flows (continued)

for the fiscal year ended 31 December 2019 - 2021

Unit: Million Baht

	2021	2020	2019
Inventories	(0.31)	(1.95)	(1.93)
Other current assets	(2.22)	0.12	(1.09)
Other non-current assets	(0.22)	0.19	(0.51)
Trade and Others payable	13.24	5.68	(30.01)
Other current liabilities	0.62	(1.61)	(1.89)
Provisions for employee benefits paid	(6.25)	-	-
Other non-current liabilities	0.52	0.01	(0.31)
Net cash from (used in) operating	(26.00)	(14.78)	(75.68)
Interest expenses	(1.52)	(1.32)	(0.38)
Income taxes paid	(3.32)	(0.81)	(1.31)
Withholding tax refunded	0.99	0.52	0.42
Net cash from (used in) operating activities	(29.85)	(16.39)	(76.95)
Cash flows from investing activities			
Cash paid for acquisitions of other current financial assets	(267.41)	(165.57)	(0.44)
Proceeds from sale of other current financial assets	336.77	147.13	-
Cash paid for acquisitions of other non-current financial assets	(5.00)	(9.90)	-
Net cash paid for acquisitions of investments in subsidiaries	-	(30.82)	-
Proceeds from acquisitions of investments in subsidiaries	80.08	-	-
Proceeds from sale of leasehold improvements and equipment	0.01	0.06	0.12
Acquisition of leasehold improvements and equipment	(26.67)	(0.32)	(3.53)
Acquisition of intangible assets	(6.01)	(6.24)	(4.18)
Dividend Received from investments	16.34	-	-
Interest received	0.91	1.74	3.64
Net cash from (used in) investing activities	129.02	(63.92)	(4.39)

Nation International Edutainment Public Company Limited and Subsidiaries

Statement of cash flows (continued)

for the fiscal year ended 31 December 2019 - 2021

Unit: Million Baht

	2021	2020	2019
Cash flows from financing activities			
Cash paid for lease liabilities	(3.41)	(3.15)	-
Dividends paid of subsidiaries paid to non-controlling interests	(12.33)	-	-
Net cash from (used in) financing activities	(15.74)	(3.15)	-
 Net increase (decrease) in cash and cash equivalents	 83.43	 (83.46)	 (81.34)
Cash and cash equivalents at 1 January	173.94	257.40	338.74
Cash and cash equivalents at 31 December	257.37	173.94	257.40

4.3.2 Highlight Financial Ratios

Item		2021	2020	2019
Liquidity Ratio				
Current Ratio	(Time)	5.13	5.75	9.04
Quick Ratio	(Time)	4.55	4.13	8.22
Cash flow current ratio	(Time)	(0.55)	(0.41)	(1.55)
Receivable current ratio	(Time)	5.27	5.13	5.16
Average Collection Period	(Day)	68.36	70.17	69.77
Inventory turnover period	(Time)	3.43	3.55	6.71
Average Sale Period	(Day)	104.94	101.34	53.68
Account Payable Turnover	(Time)	7.95	10.74	20.31
Receivable Turnover	(Day)	45.27	33.51	17.73
Cash Cycle	(Day)	128.03	138.00	105.72
Profitability Ratios				
Gross Profit Margin	(%)	38.52	27.91	(36.08)
Operating Profit Margin	(%)	(24.40)	(47.00)	(163.36)
Cash to profit margin	(%)	127.03	46.99	69.47
Net Profit Margin	(%)	35.82	(32.89)	(123.72)
Return On Equity	(%)	13.06	(9.08)	(30.55)
Efficiency Ratio				
Return on Assets	(%)	9.58	(7.58)	(25.77)
Return on Fixed Assets	(%)	(156.92)	(232.41)	(768.79)
Asset Turnover	(Time)	0.27	0.23	0.21
Financial Ratio				
Debt to Equity Ratio	(Time)	0.49	0.23	0.16
Interest Coverage Ratio	(Time)	(22.33)	(13.97)	(130.78)
Leverage Ratio	(Time)	(0.91)	(2.50)	(9.98)
Dividend Payout	(%)	-	-	-

Remark: numbers calculated in the ratio above include discontinued operations.

5. General and Other Important Information**5.1 General information**

Securities Registrar	:	Thailand Securities Depository Co., Ltd.
Address	:	93 The Stock Exchange of Thailand Building, Rachadapisek Road, Din Daeng, Din Daeng, Bangkok 10110
Telephone	:	(66) 2009-9999
Fax	:	(66) 2009-9991
Auditor	:	EY Office Limited.
		1. Mr. Pornanan Kitjanawanchai CPA Registration No. 7792 or
		2. Mr. Supachai Phanyawattano CPA Registration No. 3930 or
		3. Mr. Natthawut Santipet CPA Registration No. 5730
Address	:	193/136-137 Lake Rajada Building, 33th Floor, Ratchadaphisek Road, Khlong Toei, Khlong Toei, Bangkok 10110
Telephone	:	(66) 2264-9090
Fax	:	(66) 2264-0789
Investor Relations	:	Nation International Edutainment Plc.
Address	:	333 Lao Peng Nguan 1 Tower, 24th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900
Telephone	:	(66) 2091-5900
Fax	:	(66) 2091-5928
Email	:	investor@nine.co.th
Website	:	http://www.nine.co.th

5.2 Other important information

-None-

5.3 Legal disputes

-None-

5.4 Secondary market

-None-

Part 2 Corporate Governance

6. Corporate Governance Policy

6.1 Overview of the Corporate Governance Policy and Guidelines

The Board of Directors strongly believes that good, transparent, and auditable business management system and corporate governance will create value for the Company's business operations and enhance confidence to the Company's shareholders, investors, and all groups of stakeholders. This is an important key leading the Company to business success and sustainable growth. Therefore, the Company's Corporate Governance Policy was initially prepared and approved by the Board of Directors on 17 November 2008 and has regularly reviewed and updated which has recently been revised and reviewed to be in line with the principles and guidelines of the Stock Exchange of Thailand (the "SET"), the Office of the Securities and Exchange Commission (the "SEC Office") and the Thai Institute of Directors including the Corporate Governance Code for Listed Companies 2017 as well as announcing to employees at all levels for their acknowledgement and adherence on 1 December 2021. The policy also disclosed on the Company's website at www.nine.co.th/corporate-governance/#toggle-id-1 for acknowledgement of shareholders, investors, and the public.

Section 1: Rights of Shareholders

The Company always realizes and places emphasis on the rights of shareholders as the owners of the Company. The Company then sets up the policy requiring the treatment of all shareholders, whether individual shareholders, major shareholders or institutional investors, must be equal and fair in accordance with laws and regulations by encouraging them to exercise their fundamental rights such as, trading or transferring of shares, sharing of business profits, receiving sufficient information in timely manner for decision making, and attending shareholders' meetings to acknowledge the Company's annual performance, and casting votes at the shareholders' meetings to approve significant matters as specified by laws.

Shareholders' Meeting

The Company determines that an annual general meeting of shareholders must be held within 4 months from the end of the Company's fiscal year and other shareholders' meetings, i.e., extraordinary general meetings of shareholders, are to be called when it is deemed necessary and appropriate. The Company will hold the shareholders' meetings by following the procedures required by laws and in accordance with the guidelines set by the SET and the Company's policies as follows:

1. Before Shareholders' Meetings

The Company prepares invitation to shareholders' meeting and supporting documents, both in Thai and English, to protect rights of all shareholders equally and not restrict shareholders' rights to access to information, either Thai shareholders or foreign shareholders. Information contained in the invitation shall be at least, (a) date, time, and venue of the meeting, (b) all meeting agenda items, fact and reason, opinion of the Board of Directors, any other information relevant to meeting agenda and number of votes required to pass a resolution for meeting agenda that votes casting is required, and (c) guidelines for registration, appointment of proxy, documents for registration, and vote casting and counting. The Company will also publicize the invitation together with the supporting documents on the Company's website and allows the shareholders to submit inquiries in advance at least 30 days. The Company will announce the invitation in the daily newspaper at least 3 days before the meeting date.

The Company engages Thailand Securities Depository Co., Ltd., its securities registrar, to undertake the delivery of the invitation to shareholders' meeting to all shareholders.

2. Shareholders' Meetings Date

The Company will arrange the shareholders' meeting on the appropriate date, time and venue that can be conveniently accessible for shareholders with good security system and adequate space for the number of shareholders attending the meeting. The Company will enclose a location map of venue with the invitation of shareholders' meeting. Moreover, the Company uses the barcode system for the registration and vote counting to enhance transparency and provide convenience to the shareholders. The Company also prepares duty stamp for the meeting attendees who are proxies of shareholders. Furthermore, the registration shall open at least one hour prior the meeting time and remain open throughout the meeting, thereby allowing the shareholders to register and vote on the remaining agenda.

The Company encourages all directors, members of the sub-committees and the executives to attend every shareholder's meeting so as to listen to the opinions and provide answer to the shareholders' questions. Before proceeding the shareholders' meeting, the Company will introduce to the meeting the Board of Directors, executives, auditors, lawyers who act as intermediate persons to witness the vote counting and advisors and inform the meeting of the vote casting and vote counting procedures. During the shareholders' meeting, after the information has been provided for each agenda, the Company will allocate adequate time for discussion and encourage shareholders to express opinions, ask questions, raise issues related to the agenda. For the agenda to elect the directors, the Company will arrange for the shareholders to cast the votes for the election of each director individually. In addition, to conform with the good corporate

governance principles, a director who is due to retire by rotation will leave the meeting room temporarily during the consideration of the agenda to re-elect him/her as the Company's director for another term.

3. After the Shareholders' Meeting Date

The Company will report a summary on meeting resolutions through the SET website within the shareholders' meeting date or no later than 9.00 a.m. of the following business day. The minutes of the shareholders' meeting will be submitted to the SET and publicized on the Company's website within 14 days from the meeting date.

Section 2: Equitable Treatment of Shareholders

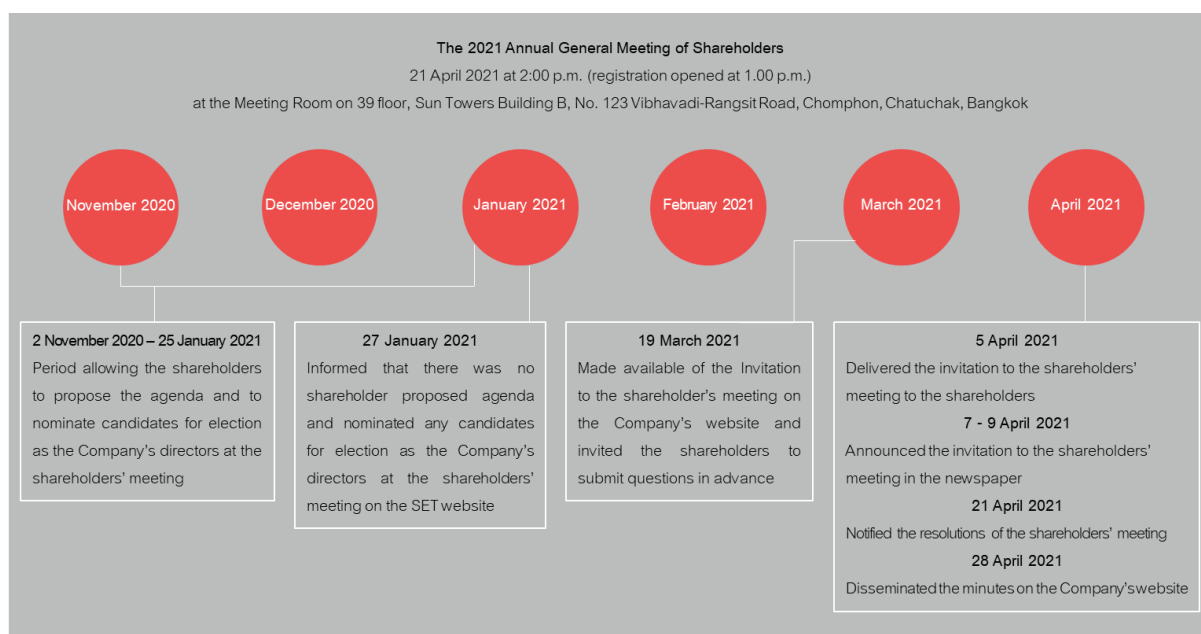
The Company will treat every shareholder equally and fairly without discriminating on the grounds of gender, age, race, religion, belief, political opinion, and whether they are shareholders who hold or do not hold executive position or are major shareholders, individual shareholders, or institutional investors. In addition, the Company has a policy to arrange the shareholders' meeting that supports the equitable treatment of shareholders and has protective measures of the use of inside information and policy on conflict of interest to prohibit the directors, executives, and employees from seeking unlawful benefits for themselves or others.

Shareholders' Meetings

1. To maintain the rights of shareholders who cannot attend the shareholders' meeting in person to be able to cast their votes by appointing their representative or the Company's independent director to attend the meeting on their behalf, the Company encloses proxy form B, which is an explicit form that sets out specific details of authorization, with the invitation to the shareholders' meeting and clearly states the list of documents and evidence required for the appointment of a proxy. In addition, to encourage the attendance of shareholders' meeting, the Company gives the shareholders a right to submit the proxy forms and supporting documents to the Company in advance of the meeting. Besides, the shareholders can download proxy form A, form B and form C (to be used specifically by shareholders who are foreign investors and have appointed a custodian in Thailand to be their share depository) from the Company's website.
2. The Company provides an opportunity to the shareholder(s), who individually or collectively hold shares or have the voting rights not less than 5% of the Company's total voting rights, to be entitled to (a) propose agenda items and (b) nominate candidates to be elected as directors of the Company at the annual general meeting in advance in accordance with the criteria and procedure set forth by the

Company. The Company will make an announcement of the same through the SET disclosure system and the Company's website.

3. Except for urgent matters, the Company will not add any agenda item that is not informed the shareholders in advance to allow the shareholders to have sufficient time to study the information before casting their votes.



In the 2021 Annual General Meeting of Shareholders, there were 37 shareholders present at the meeting in person and by proxy, holding 195,576,033 shares in aggregate, representing 53.5020% of the Company's total issued shares and there were 5 directors out of total 5 directors attending the meeting.

Protection of the Use of Inside Information, the Company sets the policy on protection of the use of inside information to prevent the directors, executives and employees from misusing the inside information for the benefits of themselves or others, which is considered as taking advantage over other shareholders. (Please consider the details in section 8 Key Performances in Corporate Governance.)

Conflict of Interests, the Company realizes the importance of carrying business operations in transparent manner and considers that preventing the directors, executives, and employees from using their positions to seek personal interests is significant. The Company then set the policy on conflict of interests and the policy on the related party transactions. (Please consider the details in section 8 Key Performances in Corporate Governance.)

Access to the Company's Information, the Company favors no particular groups of shareholders and shall not conduct any actions resulted to the restriction of the Company's information accessibility. The Company then prepares and discloses its information and memorandum on the Company's website at www.nine.co.th. In addition, the Company establishes investor relations unit to be responsible for the communication, information clarification and inquiry response between the Company and the investors, shareholders, analysts, and potential investors in the Company's securities.

Section 3: Roles of Stakeholders

Apart from rights of shareholders and equitable treatment of shareholders, the Company adheres and respects for the rights of all stakeholders involving in the Company's business operations, for instance, employees, customers, shareholders, investors, business partners, competitors, government agencies, and social and environment. The Company then treats them properly, equitably, and fairly, and without being inferior to their rights prescribed by relevant laws, including procuring the process that enhances the collaboration between the Company and the stakeholders because the Company believes that a good relationship with all groups of stakeholders is a significant key driven the Company to build its success, financial stability, and long-term business sustainability. In this regard, the detailed policy and guidelines of the Company's responsibilities to its stakeholders is prescribed in section 6.2 Business Ethics.

Section 4: Disclosure and Transparency

The Company places importance on the disclosure of the Company's information and memorandum, both financial and non-financial, to be equally accessible to by the shareholders, investors, analysts, potential investors in the Company's securities, and other stakeholders through various channels, such as the SET information disclosure channel and the Company's website. Information and memorandum shall (a) be disclosed accurately, completely, sufficiently, clearly, in a timely manner, and correspond to relevant laws and regulations, (b) be prepared in careful and transparent manner with concise and easy understanding language and (c) be updated on regular basis. In the past year, the Company disclosed its information in compliance with the SEC Office and the SET regulations without any penalty from the SEC office and the SET regarding the non-compliance of information disclosure.

Section 5: Board Responsibilities

The Board of Directors is the shareholders' representative whose key role is to govern and supervise the business operations independently from the management for the best interest of the Company and shareholders. The Board of Directors shall perform its duties with responsibilities, due care, honesty, and in accordance with the laws, objectives, goals, the Company's articles of association as well as the resolutions

of the Board of Directors' and shareholders' meeting. Key policies and guidelines of the Board of Directors are summarized as follows:

Structure of the Board of Directors and Sub-committees, the Board of Directors shall consist of the directors in the number that is suitable for the size and business strategy of the Company. It may appoint any sub-committee to help monitor and oversee the Company's management.

Separation of Roles and Duties of the Board of Directors and the Management, the Company explicitly separates the roles and duties of the Board of Directors and the management so as to have mechanism for controlling and balancing power of the roles between oversight and management and to ensure the Company's management is carried out transparently and verifiably. The Board of Directors has key duties and responsibilities in governing and overseeing the management's performance, including determining policy, vision, mission, corporate value, strategy, performance target of the Company. The management with the Chief Executive Officer as its leader has key duties and responsibilities in handling the Company's business management across all units to achieve the objectives and performance targets as approved by the Board of Directors.

Holding Position in Other Companies of the Directors and the Chief Executive Officer, the Company determines policy to limit the number of listed companies that each director is allowed to hold the directorship (include the Company's directorship) to not more than 5 companies so that the director can devote his/her time to effectively perform its duties. In this regard, the Chief Executive Officer shall not hold the position in any other companies, except for the Company's subsidiary, associated company and/or related company, unless the consent has been granted by the Board of Directors prior to holding the position. In 2021, there was no director holding the directorship of over 5 companies and the Chief Executive Officer did not hold any position in any company other than the Company's subsidiaries and related companies.

6.2 Business Ethics

The Group realizes the importance on business operations and management with ethics and morality, including taking into account the rights of stakeholders. Therefore, it has provided the Code of Conduct and Business Ethics (the "**Business Ethics**") as frameworks and guidelines for the Company's directors, executives and employees (collectively, the "**Personnel**") to adhere and follow. The Company regularly reviews the Business Ethics, which the latest revision is announced and effect from 1 December 2021 covering following concerns:

1) **Responsibilities in Business Conduct**

- 1.1) **Anti-Corruption**, the Company adheres the principles of business management system with due regard to integrity, morality and uphold its responsibilities to society and stakeholders. The Company therefore has declared its intention to participate in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 2013, to address its strong commitment against all forms of corruption, and prepared written policy and procedures of anti-corruption for standard setting of corporate value and appropriate disciplinary action through zero corruptive business mechanisms. Significant principle includes that no Personnel involves in both potentially direct and indirect corruptive actions.
- 1.2) **Confidentiality and Personal Data Privacy**, the Company realizes that information involving in the any of the Company's business operations and/or actions, including information received or in relevance to certain Personnel, customer, supplier or third party, both personal or non-personal data, is considered as valuable asset. Unauthorized access or disclosures of such information to external parties may deteriorate its value and potentially cause damages as well as legal liability to the Company and relevant Personnel. Information therefore must be confidentially safeguarded and kept. A collection, use and/or disclosure must only serve to its business objective pursuant to laws and contractual provisions.
- 1.3) **Respect of Human Rights**, the Company places importance on the respect of human rights, individualism and human dignity by emphasis on the equal and equitable treatment of stakeholders across all groups, regardless of nationality, race, country of origin, gender, age, religion, physical appearance, sexual orientation, political opinion, social status, academic background or other status. The Company will oversee its Personnel not to involve in violation of human rights.
- 1.4) **Implementation of Information Technology System**, the Company enhances IT system to control its business mechanism with efficiency, precision and opportunity creation. Furthermore, the systematic efforts cultivates occupational safety including preventive measures of malwares or cybersecurity attacks, the Company imposes policy of IT system security with significant principle that the Personnel must use IT system and information for the best interest of the Company and the Personnel is prohibited to access and transfer of information with immoral contents, relating to gambling, national security risk or violating of the person's rights.
- 1.5) **Intellectual Property**, the Company deems that its intellectual properties, including copyrights, patents, trademarks, trade secrets, are valuable assets of business operations, including competitive ability.

The Personnel is required to protect and oversee the Company's intellectual property from unauthorized use and to not violate other persons' intellectual properties.

2) Treatment of Stakeholders

2.1) **Treatment of Shareholders and Investors**, the Company diligently drives value and reasonable investment return to the shareholders as the owner of the Company and conducts its business operations in transparent manner with morality, legal compliance, and within the corporate governance policy of the Company for the Company's sustainable growth.

2.2) **Treatment of Customers**, the Company continues to build customers' satisfaction and trust which are significant factors to yield organizational growth and success through product delivery and rendering of services for having variety, quality, safety, reasonable pricing along with cultivating and securing good, sustainable relationships with the customers.

2.3) **Treatment of Employees**, the Company realizes that the employees are the most valuable resource in the business operations and a key driven factor of organizational success. It therefore builds good corporate culture, working condition and environment such as cultivating good working attitudes, sense of responsibilities of his/her own duties, teamwork spirit, providing appropriate and equitable remunerations of employees, and adequate welfare benefits, and treats the employees at all levels in strict compliance with applicable laws by adhering internationally accepted standard of human rights, laws, and other regulations.

2.4) **Treatment of Suppliers**, the Company takes into account the transparency and auditability in business management system. It therefore sets the selection and evaluation procedures of suppliers as a critical driver of organizational growth and mutual beneficiary entity of the Company's wealth and sustainability with equal and fair treatment. The Company also imposes the written business ethics for suppliers to comply with.

2.5) **Treatment of Business Partners**, the Company performs business operations with honesty, transparency and professionalism and supports fair and open competition. It therefore treats competitors within the scope of applicable laws and the Company's policies.

2.6) **Treatment of Community, Society and Environment**, the Company, as an offeror of products and services delivering directly to customers, recognizes that its business operations may affect community, society and environment in various ways positively and negatively. It therefore holds business principles of value creation, value balance between profit seeking of economic

value and sense of responsibility to community, society, and environment concerning business operations. Further details can be considered in section 3: Sustainability Development.

The details of the Business Ethics can be considered on the Company's website at www.nine.co.th/corporate-governance/#toggle-id-1.

In addition, the Company provides channels for the stakeholders to contact or express complaints to the Board of Directors through Company Secretary Office or the Audit Committee through Internal Audit Department in case any violation of the Business Ethics, policies and guidelines is found. Information regarding complainant shall be kept confidentiality.

Company Secretary : E-mail: punapa@nine.co.th
by post to the Company Secretary Office at the Company's address

Internal Audit : E-mail: yutthapol@nine.co.th
by post to the Internal Audit Department at the Company's address

6.3 Major Changes and Development of Corporate Governance Policies, Guidelines, and Structure

6.3.1 Major Development of Corporate Governance

The Company recognizes and places the importance on the development of the Company's business operations in consistent with good corporate governance principles, by committing to relevant regulations of (a) the SET, namely the Principles of Good Corporate Governance for Listed Companies 2012, (b) the SEC Office, namely the 2017 Corporate Governance Code for Listed Companies, (c) the Thai Institute of Directors, namely the Corporate Governance Report of Thai Listed Companies and (d) Thai Investors Association, namely the AGM Checklist.

In 2021, the Company has engaged in activities to ascertain its corporate governance:

- the Board of Directors considered and approved vision, mission, and corporate value to reflect business overview of the Group and corporate goals for sustainable development; and
- the Board of Directors, as an organization leaders, considered 8 principles and sub-principles pursuant to the 2017 Corporate Governance Code for Listed Companies and applied them by means that were suitable to the business for value creation of sustainable business in terms of competitiveness and performance with long-term perspective, ethical business, good corporate citizenship and corporate resilience. The Board of Directors additionally reviewed the Corporate

Governance Policy and the Business Ethics and prepared an action plan concerning the future implementation of the 2017 Corporate Governance Code for Listed Companies.

As regards the continuous development of the Company's business operations in consistent with the good corporate governance, the Company's achievements in 2021 are highlighted as follows:

- a full 100 score from the assessment result of the 2020 Annual General Meeting of Shareholders Checklist by Thai Investors Association;
- very good level or the 4-star group from the assessment results of the 2020 Corporate Governance Report by the Thai Institute of Directors; and
- submission of the application for the recertification of membership of Thailand's Private Sector Collective Action Coalition Against Corruption , where the Company has received an approval for the recertification on 31 March 2021 with 3-year valid period, and after that the Company must submit the next recertification application within the first quarter of 2024.

6.3.2 Compliance with Other Good Corporate Governance Policies

The abovementioned compliance of good corporate governance promotes and aligns the Company's corporate governance into comparable standards of Thailand's leading listed companies. However, in 2021, some of good corporate governance principles were yet unable to apply by the Company, the details of which were as follows:

1. The appointment of other sub-committees, e.g., Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee

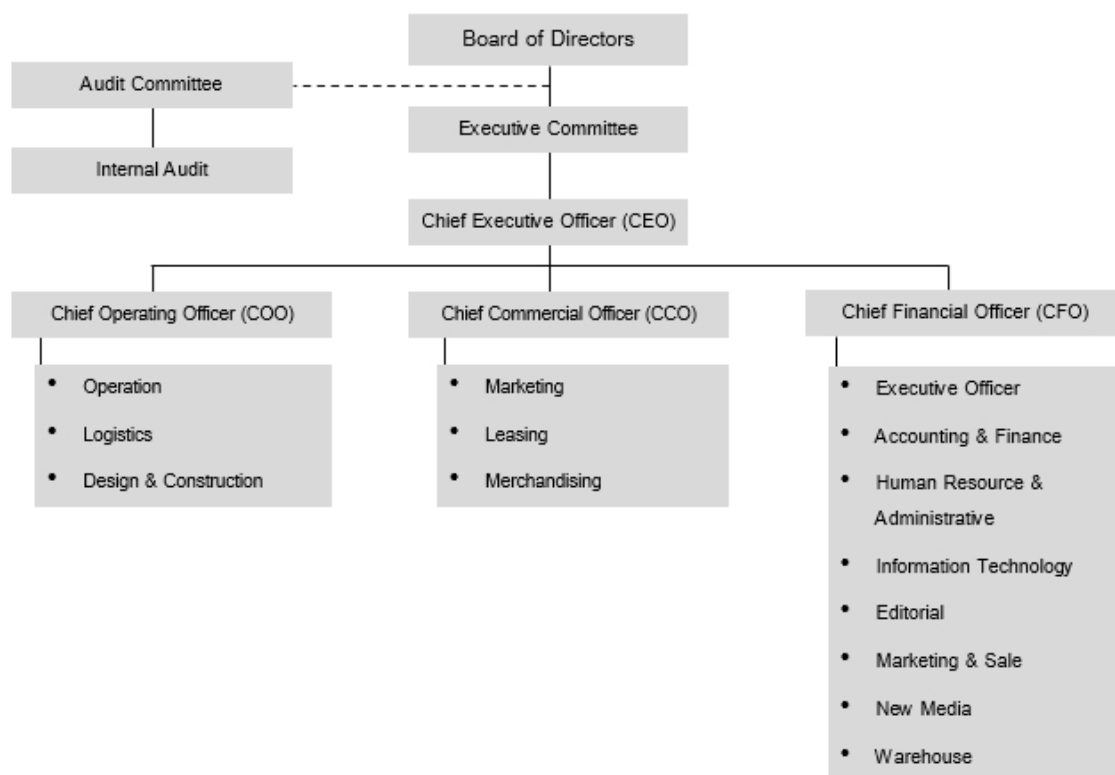
As at 31 December 2021, the Board of Directors had not appointed any other sub-committee than the Audit Committee and the Executive Committee. The Board of Directors still be responsible for (a) nomination and selection of personnel with appropriate qualifications to be appointed as the Company's director, (b) consideration of amount, criteria and form of remuneration for all types of board members, (c) oversight of overall enterprise risk management, and (d) governing the business conforming to principles of good corporate governance. Regarding performance results in the previous fiscal year, the Board of Directors handled the duties in wholly, transparent, and verifiable manner.

2. Chairman of the Board of Directors not an Independent Director

The Company engages in the publishing and retail businesses, it is then required a personnel who is well equipped with capability, experience, and business knowledge. Even though the Chairman is not an independent director, the Company carries out its business operations by adhering the good corporate governance principles, having adequate and appropriate internal control system, and setting up business management based on check and balance mechanism that is transparent and verifiable. Additionally, all board members perform its duties with care and honesty.

7. Corporate Governance Structure and Significant Information Related

7.1 Corporate Governance Structure (as of 31 December 2021)



7.2 Information on the Board of Directors

Component of the Board of Directors

As at 31 December 2021, the Company's Board of Directors comprises of five persons representing appropriate number pursuant to the Company's size and business operations. The Board of Directors includes two executive directors and three independent directors who are non-executive, totaling 40% of total number of directors. These directors are specialists from various business fields, including business, finance, marketing, accounting, audit and law. They possess qualifications required by laws and pursuant to the Company's corporate governance policy. The Board of Directors includes one female directors and four male directors in which all directors can independently consider, express opinions and cast the votes without pressure to govern the management team performance for effectiveness, correctness, transparency and the best interest of the Company and shareholders.

Accordingly, the Company explicitly separates authorization of power, roles and responsibilities of the Chairman (leader of the Board of Directors) and the Chief Executive Officer (leader of executives) for transparency to facilitate the governance performance of the Board of Directors and to prevent anyone to

exercise such unlimited scope of authority. Authorities, roles and responsibilities of the Chief Executive Officer can be considered under Section 7.4 Information of Executives.

Information of the Board of Directors (as at 31 December 2021)

The Board of Directors is consisted of five directors (in process of nomination to appoint two vacant directors whom previously resigned) as follows:

No.	Name	Position
1	Mr. Rashane Leerabandhu	Chairman of the Board of Directors
2	Mr. Voraphot Chanyakomol	Director
3	Mrs. Suparanan Tanviruch	Independent Director and Chairman of the Audit Committee
4	Mr. Phunwarit Martmuang	Independent Director and member of the Audit Committee
5	Mr. Stephen Joseph Camilleri	Independent Director and member of the Audit Committee

Authorized directors who sign and bind the Company: Mr. Rashane Leerabandhu jointly signed with Mr. Voraphot Chanyakomol with the Company's seal affixed

Roles, Duties and Responsibilities of the Board of Directors

1. To perform its duties in accordance with the laws, objectives and articles of association of the Company as well as the resolutions of the shareholders' meeting with honesty, responsibility, and due care for the utmost benefits of the Company and shareholders
2. To determine policy, vision, mission, strategy, corporate value, performance target (both monetary and non-monetary), and annual plan and budget; and to consider, review and approve the same on an annual basis
3. To monitor and oversee the management carrying out the business operations in accordance with the determined policy, strategy, goal, and budget efficiently and effectively, so as to ensure that the business operations are complied with the goal as targeted and to be able to manage any risk or obstacles in timely manner
4. To determine the remuneration structure and welfare for the employees having an appropriate remuneration mechanism and conforming with short-term and long-term performance of the Company whereby the Executive Committee shall have a supervisor person

5. To determine, review, and update the Company's Corporate Governance Policy and Business Ethic and Code of Conduct, including any relevant policies and guidelines; to communicate the same to the directors, Executives and employees for their acknowledgement and adherence; and to regularly evaluate the implementation of policies and guidelines
6. To consider and approve the significant matter of the Company, including but not limited to acquisition or disposal of assets, investment in new businesses and any matter as required by laws, articles of association and policies of the Company
7. To consider the entry into transaction that may lead to a conflict of interest and/or connected transaction of the Company by significantly taking into account interest of the Company, its shareholders and all groups of its stakeholders, provided that a director who have a conflict of interest shall not be entitled to consider and cast his/her vote regarding such transaction; and to disclose the information of such transaction correctly, transparently and in a timely manner as required by laws, articles of association and policies of the Company
8. To provide control system on operations, financing, and regulation and policy compliance; and to ensure that there is an independent person or department to audit and assure that those systems are adequate and appropriate
9. To provide effective management system that promotes the anti-corruption
10. To determine, review and evaluate the appropriateness of policy, guideline, framework, and process of enterprise risk management; and to monitor, oversee, follow up overall risk management to ensure that corporate risks are effectively and continuously handle to achieve the Company's objectives and goals
11. To appoint sub-committees to assist in monitoring, following up and overseeing the management of the Company; to require sub-committees to conduct the annual performance evaluation; to determine reumeration of sub-committees; and to regulary review roles, duties and responsibilities of sub-committees
12. To delegate one or more directors or any other persons to perform any matter on behalf of the Board of Directors within the period as it deems appropriate, which may cancel, amend, or change such authority; however, such delegation shall not be an authorization or sub-authorization that allows the delegated person(s) to approve any transaction that he/she or any person who may have a conflict of interest has an interest or any conflict of interest with the Company or its subsidiaries

13. To report responsibilities of the Board of Directors for preparing the financial statements by disclosing the same together with external auditor's report in the Company's annual report to present to the shareholders
14. To consider and appoint a person to hold a position of the Chief Executive Officer; to determine the evaluation criteria and evaluate the Chief Executive Officer's performance; and to prepare and review the succession plan in order to set out the succession process for the position of the Chief Executive Officer

Roles, Duties and Responsibilities of the Chairman of the Board of Directors

1. To oversee performance of the Board of Directors to ensure that it is efficiently carried out and achieves the business objectives; and to ensure that all directors form parts in promoting corporate culture with ethics and good corporate governance
2. To screen the matter to be selected as agenda for the Board of Directors' meeting jointly with the Chief Executive Officer; and to allow the directors to propose agenda
3. To convene meetings of the Board of Directors, which the Chairman or the person designated by him/her shall send the invitation to all directors; to act as the Chairman of the meeting being responsible for chairing and allocating adequate time to allow the management to provide complete information to allow the directors to thoroughly discuss the matters; to exercise their judgements independently in making a decision; and to cast vote in a case of tie vote at the Board of Directors' meeting
4. To preside over the shareholder's meeting and to conduct the meeting in compliance with the Company's articles of association and a sequence of agenda as scheduled
5. To promote relationship between the directors and management and the directors each other
6. To perform any other duties in compliance with the applicable laws, particularly duties required to perform by the Chairman

Office Term of Directors and Independent Directors

It is specified in the Company's articles of association that at every annual general meeting of shareholders, at least one-thirds of the total number of directors shall retire from his/her director office by rotation. If it is impossible for the number of directors to be divided into three, the closest number to one-thirds shall be

applied. The retired directors are entitled to be re-elected. In addition, the directors shall cease to hold office upon death, resignation, lack of qualifications or possession of prohibited characteristics according to the applicable laws, removal by a resolution of the shareholders' meeting, or removal by a court's order. In case of a vacancy in the Board of Directors for any reason other than the retirement by rotation, the Board of Directors shall appoint a fully qualified person to be the Company's substitute director, unless the remaining term of office of the vacant director is less than 2 months. The substitute director shall hold office only for the remaining term of office of the director whom he/she replaces.

Furthermore, the Company sets the tenure of an independent director of the Company that it should not exceed a cumulative term of 9 years from the date of appointment as an independent director. However, upon completing 9 years, if the Board of Directors has reasonable rationale, an independent director may continue to serve its independent directorship.

7.3 Information on Sub-Committees

To have thorough consideration on significant matter before proposing to the Board of Directors which enhances the effectiveness and efficiency of the Board of Directors' performance, the Board of Directors therefore has appointed the Audit Committee and the Board of Directors.

1. Audit Committee

The Audit Committee comprises of at least three independent directors, which at least one member shall be qualified persons with appropriate knowledge, experience and professionalism to perform audit reviewing of the creditability of the financial statements. As at 31 December 2021, the Company's audit committee is consisted of three persons as follows:

No.	Name	Position
1	Mrs. Suparanan Tanviruch*	Chairman of the Audit Committee
2	Mr. Phanwarit Martmuang	Member of the Audit Committee
3	Mr. Stephen Joseph Camilleri	Member of the Audit Committee

Note * Mrs. Suparanan Tanviruch is a of the Audit Committee who has adequate knowledge and experience to review the creditability of Company's financial statements.

Roles, Duties and Responsibilities of Members of the Audit Committee

1. To review that the Company accurately and adequately provides quarter and annual financial reports and discloses the Company's information adequately before proposing to the Board of Directors

2. To review that the Company's internal control system and internal audit system are appropriate, adequate and efficient; to consider the independence of the internal audit unit; and to approve the appointment, transfer and dismissal of the head of internal audit unit or the head of any other units in charge of internal audit
3. To review that the Company's risk assessment system and management are appropriate, adequate and efficient
4. To review that the Company complies with the securities and exchange laws, the regulations of the SET and other laws relevant to the Company's businesses
5. To consider and select an independent person(s) for appointing as a financial auditor(s) of the Company; to determine its remuneration; to coordinate with the financial auditor(s) about the purpose of auditing, scope, guideline, plan, problem faced during auditing and issue that is considered significant by the financial auditor(s); and to attend a meeting with the financial auditor(s) without the management at least once a year
6. To consider connected transactions or transactions that may lead to a conflict of interest to ensure that they are correct, complete and in compliance with the laws and regulations of the SET, including disclosing the complete information of transactions and they are reasonable and for the best interest of the Company
7. To review the correctness of all reference documents and self-evaluation tool for countering bribery under the Thailand's Private Sector Collective Action Coalition Against Corruption
8. To prepare and disclose an Audit Committee's report in the Company's annual report executed by the Chairman of the Audit Committee and must have the following information:
 - an opinion on the accuracy, completeness and trustworthiness of the Company's financial reports;
 - an opinion on the adequacy of the Company's internal control system;
 - an opinion on the Company's risk management system;
 - an opinion on the compliance with the securities and exchange laws, the regulations of the SET or the laws relevant to the Company's business;
 - an opinion on the suitability of the external auditor(s);

- an opinion on the transactions that may lead to a conflict of interest;
 - the number of the Audit Committee's meetings and the attendance of each committee member;
 - an opinion or overall observation of the Audit Committee from performing its duties under the Charter of the Audit Committee; and
 - other matters which, according to the Audit Committee's opinion, should be made known to the shareholders and general investors pertaining to the scope of duties and responsibilities assigned by the Board of Directors;
9. To request the management, Executives, or employees of the Company to give their opinions, attend meetings, or submit any relevant and necessary document in performing the duties under the scope of duties and responsibilities of the Audit Committee
10. To undertake any actions assigned by the Board of Directors subject to the Audit Committee's approval

In performing the duties of the Audit Committee as abovementioned, the Audit Committee shall be directly responsible to the Board of Directors. The Board of Directors still be liable to a third person for the Company's business operations.

2. Executive Committee

The Board of Directors appoints the Executive Committee mainly to determine policy, performance target, plan and annual budget prior to propose to Board of Directors for consideration and approval, and to oversee and monitor the Company's performance results to ensure alignment with the operation policy, plan and annual budget approved by the Board of Directors so as to ascertain that the Company's operations are carried out efficiently and effectively. As at 31 December 2021, the Company's Executive Committee is consisted of two person as follows:

No.	Name	Position
1	Mr. Rashane Leerabandhu	Executive Director
2	Mr. Voraphot Chanyakomol	Executive Director

Roles, Duties and Responsibilities of Executive Committee

1. To determine policy, vision, mission, corporate value, strategy, performance target, plan and budget according and corresponding to the economic and competitive situation; and to propose the same to the Board of Directors for consideration and approval
2. To consider and determine organization and management structure, including remuneration structure of the Company to enhance the Company's business operations and to be in line with the determined objective and target
3. To consider and approve transaction concerning the Company's normal course of business (e.g. purchase, acquisition, sale, disposal, investment, trade, transfer, lease and lease out of assets) within a transaction value approved by the Board of Directors
4. To consider and approve borrowing of any loan or arrangement of credit facilities, as well as lending money, pledging, mortgaging, creating encumbrance or becoming surety by the Company, within a transaction value approved by the Board of Directors
5. To consider and approve opening/closing of bank account and receipt of other related banking service, including determining the authorized signatories for the Company's bank account
6. To oversee and monitor the Company's performance to ensure alignment with the policy, strategy, performance target, including plan and budget as approved by the Board of Directors and compliance with the laws, regulations, articles of association and policies of the Company
7. To delegate one or more persons to perform any matter on behalf of the Executive Officer within the period as it deems appropriate, which may cancel, amend, or change such authority; however, such delegation shall not be an authorization that allows the delegated person(s) to approve any transaction that he/she or any person who may have a conflict of interest has an interest or any conflict of interest with the Company or its subsidiaries
8. To undertake any action assigned by the Board of Directors

7.4 Information on Executives

As at 31 December 2021, the Company had 7 executives (pursuant to the definition of the Officer of SEC*) as follows:

No	Name	Position
1	Mr. Ian Craig Longden**	Chief of Executive Officer
2	Mr. Voraphot Chanyakomol	Chief Financial Officer
3	Mr. Surawoot Tankarnjananurak	Chief Commercial Officer
4	Ms. Thitagan Thana-Olarn	Senior Vice President - Business Development
5	Mrs. Tientara Deshjamroen	Assistant Vice President – Finance and Accounting
6	Ms. Natchanan Charoenpathrakiat	Assistant Vice President – Marketing and Sale
7	Ms. Tamtawan Srilaemthong	Assistant Vice President - Company Secretary

Note * Executives pursuant to the definition of the Office of the SEC are managers or other four executives in subsequent ranking of the manager (the Company's top management), the person holding equivalent position to the forth executive and shall include the person holding the position or equivalent in accounting or finance department.

** The Board of Directors' meeting No. 4/2021 held on 5 May 2021 appointed Mr. Ian Craig Longden to hold the position of the Chief Executive Officer in replacement of Mr. Voraphot Chanyakomol (acting CEO).

*** On 1 February 2022, Mr. Yotin Thavikulwat was appointed as the Chief Operating Officer.

Roles, Duties and Responsibilities of Chief Executive Officer

1. To oversee the operations and/or to manage the day-to-day operations of the Company
2. To conduct and manage the Company's operations to be in accordance with the policy, performance target, plan and budget as approved by the Board of Directors and/or the Executive Committee
3. To appoint working teams to assist the Executive Committee in performing its functions and to delegate any person(s) to perform any specific task on his/her behalf, provided that such delegation shall be under the authorization of power of attorney and/or in accordance with the regulation as approved by the Board of Directors

4. To follow up and evaluate the Company's performance on regular basis; and to report the same including the business update to the Executive Committee and the Board of Directors
5. To consider and approve the utilization of budget for the Company's normal course of business within given revolving credit limit approved by the Board of Directors
6. To consider and approve the entry into or termination of any agreements concerning the Company's normal course of business within given revolving credit limit approved by the Board of Directors
7. To employ, appoint, transfer, remove, dismiss and terminate the employment of the employees (excluding the head of internal audit unit); and to determine the rate of wages, remuneration, salaries, bonus and welfares for the employees of the Company following framework and structure that the Board of Directors and/or the Executive Committee determines
8. To issue orders, rules, announcements and memorandums to ensure that the operations of the Company are in accordance with the policies and for the interest of the Company, including maintaining the discipline within the organization
9. To perform other tasks designated by the Board of Directors and/or the Executive Committee from time to time

In this regard, the Chief Executive Officer shall not exercise his/her authority to approve a transaction which himself/ herself or his/her related person(s) may have or have a conflict of interest with the Company or its subsidiaries, unless it is the approval of the transaction concerning the Company's normal course of business that the scope is clearly determined.

General authorization of the Company and its subsidiaries

Authorization	Limit Amount
Board of Directors	Without limitation
Executive Committee	≤ THB 30 million per annum
Chief Executive Officer <u>and</u> Chief Financial Officer	≤ THB 5 million per transaction and in aggregate ≤ THB 20 million per annum
Chief Executive Officer <u>or</u> Chief Financial Officer	≤ THB 1 million per transaction and in aggregate ≤ THB 5 million per annum

7.5 Information on Employees

As at 31 December 2021, the Group had total employees of 81 persons (including executives as defined by SEC of seven persons).

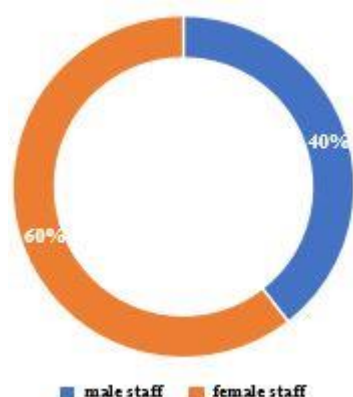
	The Company	2 Subsidiaries	Total 3 Companies
Total employees (persons)	72	9	81
Remuneration (THB million) ¹	49.47	2.75	52.22
Training hours (hours)	94	0	94
Average training hours per employee per year (hours)	1.31	0	1.16
Average sick leaves per year (days) ²	1.54	2.78	1.68
Average personal leaves per year (days)	0.84	0.11	0.76
Average annual leaves per year (days)	4.78	8.48	5.19
Average other types of leaves (times) ³	2	0	2
Accidents or serious injuries from work (times)	0	0	0
Turnover rate (%)	7.08	0	6.06
Labor disputes (Times)	0	0	0

Note ¹ The remuneration includes salary, bonus, provident fund contribution, overtime pay, wage, commission and others.

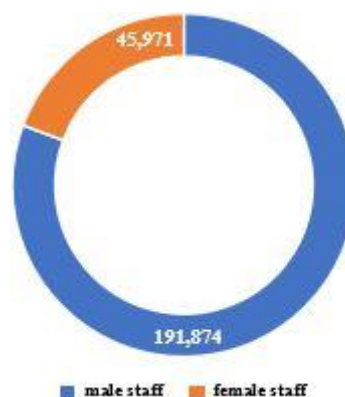
² No sick leave from accidents or serious injuries from work is taken.

³ Other type of leaves include maternity leave, sterilization leave, military service leave and ordination leave.

Proportions of Male and Female Employees of the Group



Proportions of Average Salary Per Head of Male and Female Employees of the Group



Additionally, the Group provides welfares to its employees as follows:

1. Financial aids for special events, such as ordination ceremony, wedding ceremony, gift for new born, funeral for death of employee and employee's eligible family members including parents, spouse and children.
2. Health insurance, life insurance and accident insurance as security for the employees to perform carefree duties and to provide urgent support; and annual health check-up.
3. Provident fund to encourage the employees to own saving plans as an security during post-employment period, whether from retirement or resignation. As at 31 December 2021, proportion of employees who are members of provident fund is amounted to 65.43% of total employees of the Group.
4. Workmen' s Compensation Fund in which the Company contributes with the Government's Social Security Office as all employees' security for serious injury and sickness from work. Compensations will be given when such conditions are met in accordance with eligibility of the Workmen's Compensation Fund.
5. Social Security Fund in which the Company is registered as social security memeber under Social Security Act B.E. 2533 (1990) (as amended) in order to build stability in the employees' life.

Human Resource Management Policies

1. Recruitment and job offer: the Group imposes policies of recruitment and job offer in accordance with needs and appropriateness. As regards selection process, the Group shall evaluate qualification, professionalism, experience, capability and suitability of each job position per given requirements and may consider additional process of knowledge assessment tests through writing test, professional aptitude test or interview by supervisor of reporting line. Accordingly, in case of vacancy of existing or new job positions, the Group prioritizes related recruitment policy of selecting internal employee whom possesses appropriate knowledge and suitability prior external selection excepting in case of insufficient number of staffs or the position being required specific expertise which can not recruit internally.
2. Organization structure based on lines of command and departmentalization: the Group sets out such structure clearly against lines of control and functionalities in accordance with the Group's nature of business and regularly reviews it to be consistent with the circumstances in timely manner.
3. Remuneration management: the Group imposes policy of remuneration management reasonably based on appropriateness of each locality, job characteristics and in line with the Group's performances in both short and long-term spans and each individual performance. Additionally, the Group compares its salary range with other company in the same or similar industry, market rate and business-critical situations of the Group.
4. Working environment: the Group imposes policy to provide the employees the working conditions with happiness, safety and hygiene so the Group provides appropriate workplace, equipments and supplies to suit way of working, not to cause healthy issues and to provide standardized facilities at the office, including parking space, first aid, library.
5. Employee development: the Group imposes policy to encourage the employee to develop their working knowledge, competency and attitudes regarding needs and requirement of certain job positions through various guidelines of developments, including e-learning, attendance of external seminars, internal trainings by external specialists, coaching by supervisor, on the job training, knowledge sharing among colleagues and mutual learning between executive and staff under framework of learning organization.

Accordingly, the Group reviews steps and processes of each department on regular basis and fill in appropriate upgrades for agile and most-effective ways of working. The Group provides staff an opportunity to work in the department that yields best interest of each individual with utmost knowledge, professionalism and encourage team spirit among employees so they are compatible with rotating tasks within team.

7.6 Other Important Information

7.6.1 Company Secretary

The Board of Directors resolved to appoint Ms. Punapa Thongthaveephan to be company secretary since 8 August, 2012 to be responsible for performing any actions required by laws (including prepare and keep the Company's important documents such as director registration, notice and minutes of the Board of Directors' meeting, notice and minutes of the shareholders' meeting, annual report, and conflict of interest report), providing advice and recommendation regarding the laws and regulations that must be known by the Board of Directors and overseeing disclosure of information memorandum as required by the laws and regulations.

7.6.2 Person Supervising Accounting

Mrs. Tientara Deshjamroen, Assistant Vice President – Finance and Accounting, is assigned to oversee and supervise the preparation of financial and account reports with correctness and in compliance with financial report standards.

7.6.3 Head of Internal Audit

The Audit Committee resolved to appoint Mr. Yutthapol Charoenrat to hold the position of Internal Audit Senior Manager since 7 August 2018 to act as internal auditor because of his knowledge, ability, possession of relevant experience in internal audit and good understanding of the Group's business operations. In this respect, appointment, withdrawal, termination, and transfer of head of internal audit must be approved by the Audit Committee.

7.6.4 Head of Compliance Unit

Ms. Tamtawan Srilaemthong, Assistant Vice President – Corporate Secretary Office, is assigned to oversee the Company's compliance with securities and exchange law and regulations required for business operations.

Accordingly, the details of the Company Secretary, person supervising accounting, and head of compliance unit are shown in Attachment 1 and head of internal audit is shown in Attachment 3.

7.6.5 Investor Relation

Investor relation unit is responsible to be main point of contact for providing information and inquires in relevant to the Company and its performance between the Company and investors, including shareholders and security analysts and can be reached by following details;

Telephone	:	02-091-5900
Fax	:	02-091-5928
Email	:	investor@nine.co.th
Website	:	http://www.nine.co.th

7.6.6 Audit Fee

The 2021 Annual General Meeting of Shareholders approved the appointment of auditors from EY Officer Limited, namely Mr. Pornanan Kitjanawanchai CPA No. 7792 or Mr. Supachai Phanyawattano CPA No. 3930 or Mr. Natthawut Santipet CPA No. 5730, as the Group's auditor with the total audit fee in the amount of THB 1,430,000.

Moreover, in the previous fiscal year, the Company and its subsidiaries did engage EY Office Limited or other related individual or company of EY Office Limited to provide other services..

8. Key Performances in Corporate Governance

Summary of the 2021 Board of Directors' Performance

Nomination, Development and Performance Evaluation of the Board of Directors and Chief Executive Officer

1. Nomination and Appointment of Director

The Board of Directors is responsible person for the nomination and selection of a fully qualified person to be the Company's director and independent director by considering skill, experience, expertise, knowledge and capability that are suitable and concordant with the Company's strategies and performance targets through board skill matrix mechanism. The Board of Directors may consider and nominate the candidate from the following channels:

- (1) the recommendation of executives, directors and other reliable persons, including professional search firms and director pool; and
- (2) the nomination of candidate for election as a director by the Company's shareholders at an annual general meeting of shareholders pursuant to the criteria and process set by the Company.

In considering re-election of a director to resume its directorship for another term, the Board of Directors shall consider the past performance outcome, meeting attendance and his/her involvement. In case of re-election of an independent director, the Board of Directors shall also consider his/her independence pursuant to the qualifications of independent director. Appointment of a director is required the consideration and approval from the Board of Directors and/or shareholders (as the case maybe) pursuant to the laws and the Company's articles of association.

Qualifications of Directors and Independent Directors

Qualifications of Directors

- 1) Completely possessing qualifications and lacking any prohibited characteristics to be a director under the public limited companies laws, securities and exchange laws and relevant regulations;
- 2) Being a professional person having various knowledge, capabilities, skills, experience, and expertise that are beneficial to the Company's business operations;
- 3) Being independent, performing the director's duty with due care and integrity, possessing strong physical and mental health, including being able to dedicate to work for the Company; and

- 4) Possessing a good work profile and not engage in a business, being a partner in any ordinary partnership, being a partner with unlimited liability in any limited partnership or being a director of any other private or public company which has the same nature of business and competes with the Company, unless it is informed to the meeting of shareholders prior to the passing of resolution appointing such director and done so in compliance with the relevant laws.

Qualifications of Independent Directors

Independent director is a director who (i) does not involve in managing the business operations of the Company, its subsidiary and/or associated company, (ii) is independent from a controlling person, major shareholder, and executives of the Company and (iii) has no relationship that may interfere his/her independent judgement. The definition of independent director as defined by the Company is equivalent to the requirements of the SEC Office and the SET, as follows:

1. Holding no more than 1 percent of the total shares entitling to votes of the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, including the shares held by related persons of any such independent director;
2. Neither being nor having been a director involving in the management, employee, staff, salaried consultant, or controlling person of the Company, its parent company, subsidiary, associated company, same-level subsidiary, major shareholder, or controlling person, unless foregoing status has ended for not less than two years. In this regard, these prohibited characteristics shall exclude the case where an independent director used to be a government officer or advisor of a governmental agency, which is a major shareholder or controlling person of the Company;
3. Neither having nor having had business relationship with the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, in a manner which may interfere with his/her independent judgment; neither being nor having been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing relationship has ended for not less than two years;
4. Not being a person related by blood or registration under the laws as father, mother, spouse, sibling and child (including the spouse of child) of the director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary;

5. Not being a director who is appointed as a representative of the Company's director, major shareholder, or any shareholder who is related to the Company's major shareholder;
6. Neither being nor having been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing relationship has ended for not less than two years;
7. Neither being nor having been any professional advisor, including legal advisor, financial advisor or appraiser, who receives service fees exceeding THB two million per annum from the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of such professional advisor, unless the foregoing relationship has ended for not less than two years;
8. Neither operating a business which has the same nature of business and competes with the business of the Company or its subsidiary nor being significant partner in partnership or director involving in the management, employee, staff, salaried consultant, or holding shares exceeding 1 percent of the total shares entitling to votes of the other companies operating the business with the same nature and in competition with the Company or its subsidiary; and
9. Not possessing any characteristic which disables the expression of independent opinions with respect to the Company's business operations.

At the 2021 Annual general Meeting of Shareholders, there were 2 directors who retired by rotation, namely Mr. Phanwarit Martmuang and Mr. Rashane Leerabandhu. The Company allowed its shareholders to nominate suitably qualified candidates to be elected as the Company's director during 2 November 2021 to 25 January 2022. However, no shareholder nominated any candidates for election as directors. In this respect, the shareholders' meeting resolve to individually re-elect those 2 directors to resume their directorship for another term with a simple majority vote of the shareholders attending the meeting and being entitled to vote.

2. Nomination and Appointment of the Chief Executive Officer

The Executive Committee is responsible person for the nomination and selection of a person to be the Chief Executive Officer following to the qualifications specified by the Company to propose to the Board of Directors for appointment. The candidate shall (a) completely qualify to be an executive of a listed company according to the securities and exchange laws and the relevant notifications, (b) possess visions with respect to the

management of large organization, knowledge, capability and experience that are suitable with the Company's strategy and goal and (c) possess leadership, be decent interpersonal relations and able to contact and cooperate in an international level, domestically and internationally.

On 5 May 2021, the Board of Directors resolved to appoint Mr. Ian Craig Longden to be the Chief Executive Officer in replacement of Mr. Voraphot Chanyakomol, the Chief Executive Officer (acting) with immediate effect after the Board of Directors passed a resolution approving the matter.

3. Orientation, Development and Succession Plan of Directors and/or Senior Executives

Orientation for New Directors, in case of appointment of a new director, the Company shall organize orientation. The senior executives and/or designated person will communicate the Company's historical background, shareholding structure, organization structure, business nature and direction and will provide relevant documents containing information those are necessary for and complementary to the directors' performance, such as annual report, annual registration statement disclosure form (Form 56-1), Corporate Governance Policy and the Business Ethics.

Development of Directors and Senior Executives, the Company has a policy to encourage the directors and senior executives to attend the training programs at the Company's cost to enhance their knowledge and capabilities so as to constantly improve their performance. In 2021, the Company's directors and senior executives joined the following training programs:

Mr. Voraphot Chanyakomol Director and Chief Financial Officer	<u>Thai Listed Companies Association</u> - How to manage the company's finance and accounting, and communicate with stakeholders during COVID-19 crisis - Fraud and cyber security risks - Economic update for CFO
Mrs. Suparanan Tanviruch Independent Director and Chairman of the Audit Committee	<u>The Securities and Exchange Commission</u> - Audit Committee Meeting for Listed Companies
Mr. Phanwarit Martmuang Independent Director and Member of the Audit Committee	<u>The Securities and Exchange Commission</u> - Audit Committee Meeting for Listed Companies
Mr. Stephen Joseph Camilleri Independent Director and Member of the Audit Committee	<u>The Securities and Exchange Commission</u> - Audit Committee Meeting for Listed Companies

Succession Plan, the Board of Directors realizes the importance on an uninterrupted management and operation, which will lead to the Company's sustainable growth. The Company therefore promotes the adoption of a succession plan for the Chief Executive Officer and senior executives and reviews it as appropriate to ensure that there are subordinate personnel in the important positions. The Chief Executive Officer is required to regularly update the matter to the Board of Directors.

4. Assessment of Performance of the Board of Directors, Sub-Committee and Chief Executive Officer

Assessment of Performance of the Board of Directors and Sub-Committee, the Board of Directors determines that assessment of performance of the Board of Directors and sub-committee shall be conducted on annual basis to review their performance, issues, and obstacles and to improve the performance so that it is appropriate and efficient. The assessment of the Board of Directors' performance shall be conducted in 2 bases, i.e., individual basis and group basis. The 2021 average scores of performance assessment were as follows:

The Performance Assessment	Average Score (%)
Performance evaluation on individual basis* Evaluation topics cover (a) structure and qualifications, (b) meeting of the Board of Directors and (c) roles, duties, and responsibilities.	96.82
Performance evaluation on group basis* Evaluation topics cover (a) structure and qualification, (b) roles, duties, and responsibilities, (c) meeting of the Board of Directors, (d) performance of the Board of Directors, (e) relationship with the management, and (f) personnel development of directors and executives.	97.50
Audit Committee** Evaluation topics cover (a) structure and qualification, and (b) meetings, roles, duties and responsibilities of the Audit Committee	97.22

Note * Assessment process started from the Company Secretary to deliver a performance assessment form to the director for completion with the expected return of completed form within 14 January 2022. After that, the Company Secretary gathered score and recommendation and presented the same in the Board of Directors' meeting No. 1/2022 held on 9 February 2022.

 ** It was carried out by the Internal Audit Department and its results was presented to the Board of Directors' meeting No. 1/2022 held on 9 February 2022.

Assessment of Performance of the Chief Executive Officer (the Company's top executive), the Board of Directors shall assess the performance of the Chief Executive Officer by considering both in terms of leadership, strategy formulation, strategy execution, financial planning and performance, relationship with the board of directors, knowledge of products and services, and personal characteristics so as to determine capability development plan of the Chief Executive Officer, in which in 2021, the average score was 88%.

Meeting of the Board of Directors and Sub-Committee

The Company determines that the Board of Directors shall hold at least 4 meetings per each fiscal year to acknowledge and oversee the Company's business performance. The Company shall inform the Board of Directors of an annual meeting schedule in advance to facilitate the directors in the allocation of their time to attend the meetings and the Company shall deliver an invitation to the meeting specifying venue, date, time and meeting agenda, and meeting supporting documents to the directors at least 7 days prior to the meeting date so that the directors have time to study them before attending the meetings, except in the case of urgency to prevent the Company's interest. The directors can request additional information regarding the meeting agenda from the Company Secretary directly. In this regard, each Board of Directors' meeting takes approximately 2-3 hours, and during the meeting, the chairman gives the director an opportunity to freely discuss, express opinion and recommendation. In addition, at the time of voting at the Board of Directors' meeting, the Company has a policy to require a quorum of at least two-thirds of the total number of directors. The Company records the minutes of the meeting which contain at least key subject matters and resolution of the meeting and circulates the minutes to all directors for consideration before certification in the next meeting. The Company shall keep the certified minutes at the Company's head office for the director's and relevant persons' verification.

Moreover, the Company has a policy to allow the non-executive directors to hold a meeting as deemed appropriate without the executive directors or the executives to discuss any matters relating to the Company's business, which are of their concerns, and if the non-executives have concerns and/or comments, they can inform such concerns and/or comments to the executives for improvement and/or undertaking any actions as necessary and deemed appropriate.

In 2021, the Company arranged for the Board of Directors' meetings, the Audit Committee's meetings and the Executive Committee's meeting in the following details:

Director Name	Number of meeting attendance/Number of meetings in 2021			
	Board of Directors	Audit Committee*	Executive Committee*	Shareholders**
1. Mr. Rashane Leerabandhu	10/10		8/8	1/1
2. Mr. Voraphot Chanyakomol	10/10		8/8	1/1
3. Mrs. Suparanan Tanviruch	10/10	5/5		1/1
4. Mr. Phanwarit Martmuang	10/10	5/5		1/1
5. Mr. Stephen Joseph Camilleri	10/10	5/5		1/1

Noted * Pursuant to the Company Corporate Governance Policy, the Audit Committee shall hold at least 4 meetings per each fiscal year and the Executive Committee shall hold its meeting on monthly basis.

** The 2021 Annual General Meeting of Shareholders' meeting held on 21 April 2021.

Significant Matters Considered by the Board of Directors and Sub-Committee in 2021

Board of Directors	<ul style="list-style-type: none"> - Considered the financial statements and performance both quarterly and annually - Acknowledge the Audit Committee's quarterly report - Approved the disposal of ordinary shares in LDD - Appointed the Chief Executive Officer - Considered the investment in retail business - Considered the organization restructure and amended the Group limit of authority - Approved the investment in RSPlanB Company Limited - Reviewed the Corporate Governance Policy and the Business Ethics - Approved the Company's vision and mission - Approved the 2022 Company's business plan and budget
Audit Committee*	<ul style="list-style-type: none"> - Held meetings with the auditors to review the Company's financial statements - Acknowledged the internal audit's reports - Considered the internal control assessments form - Provided opinion on the disposal of ordinary shares in LDD transaction - Reviewed the Audit Committee's Charter and the Internal Audit's Charter

Executive Committee	<ul style="list-style-type: none"> - Approved the matters in relation to the transaction with the commercial banks such as the change in the Company's authorized signatories - Monitored and oversaw the Company's business to be in line with the policies, strategies, goals, plans and budget approved by the Board of Directors - Approved the Company's management structure
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Note * The Audit Committee's Report is shown in Appendix 6.

Remuneration of the Board of Directors and Top Executive

Determination of Remuneration of the Board of Directors, the Board of Directors is responsible for determining amount, criteria and form for all types of remuneration for directors by taking into account the remuneration paid by other companies in the same industry and/or other companies listed on the SET with comparable market capitalization, and director's duties and responsibilities as well as the Company's business expansion and growth of profit in order to motivate and maintain the valuable directors with the Company. The directors' remuneration shall be annually proposed to the shareholders' meeting for consideration and approval.

At the 2021 Annual General Meeting of Shareholders, the meeting resolved to determine the directors' remuneration for the year 2021, which was the fixed annual remuneration in monetary form (at the same rate of the previous year) and to be paid on quarterly basis. None of any other forms of remuneration and welfare shall be made or given to the directors.

Position	Remuneration rate per person (THB)	
	Year 2021	Year 2020
Chairman of the Board of Directors	400,000	400,000
Chairman of the Audit Committee	400,000	400,000
Member of the Audit Committee	300,000	300,000
Non-Executive Director	200,000	200,000
Executive Director	200,000	200,000

Breakdown of directors' remuneration in 2021

Unit :THB

Name	Remuneration	Meeting Allowance	Others	Total
1. Mr. Rashane Leerabandhu*	350,000			350,000
2. Mr. Voraphot Chanyakomol	200,000			200,000
3. Mrs. Suparanan Tanviruch	400,000			400,000
4. Mr. Phanwarit Martmuang	300,000			300,000
5. Mr. Stephen Joseph Camilleri	300,000			300,000
Total	1,550,000			1,550,000

Note * The Board of Directors' meeting No. 3/2021 held on 9 April 2021 resolved to approve Mr. Rashane Leerabandhu to be the Chairman of the Board of Directors.

Determination of the remuneration of the top executive of the Company, the Chief Executive Officer, shall be the responsibility of the Board of Directors in considering and determining the amount and forms of short-term and long-term remunerations through an annual performance assessment based on criteria mutually agreed by the Board of Directors and the Chief Executive Officer that has substantial indicator, including business achievements pursuant to monetary and non-monetary performance target, performance according to long-term strategy and personal development of executives, and mutually agreed by and between the Board of Directors and the Chief Executive Officer. Details of which can be considered in section 8 under sub section 4.4.Assessment of Performance of the Board of Directors, Sub-Committee and Chief Executive Officer.

For other senior executives, the Chief Executive Officer will determine the remunerations of each executive, as appropriate, based on various performance indicators. The overall annual salary adjustment will be in line with the economic situation and the Company's operating results. The remuneration of executives (as defined by the SEC Office) (excluding the remuneration paid as directors and/or members of the sub-committees) received from the Company and its subsidiary in 2021 is as follows:

Number of executives (as defined by the SEC Office)	7* person
Remuneration from the Company's and its subsidiaries	17.88 THB million

Note * Mr. Ian Craig Longden became the Chief Executive Officer on 5 May 2021 and Mr. Surawoot Tankarnjananurak became the Chief Commercial Officer on 18 October 2021

None of the Company's directors and executives received any remuneration, whether monetary and non-monetary, from being the director of the subsidiaries.

Oversight of the Subsidiaries' and the Associated Companies

The Company invests in businesses that align with or enhance the Company's business strategy and goal by mainly considering its returns on and other benefits from investment. The Company determines oversight policy on the businesses that the Company invests in, including but not limited to subsidiaries and associated companies, in order to protect the Company's investment. Key matters can be summarized as follows:

1. The Company shall designate its representatives to be the directors, executives and/or employees in the subsidiaries and associated companies according to the Company's shareholding ratio to monitor, oversee and/or manage such business entities to be in line with the Company's determined directions;
2. The Company shall provide the mechanism to monitor the disclosure of operating results, financial information, entry into connected transactions, acquisition and disposal of assets, or any other significant transactions of the subsidiaries and associated companies so that they are complying with the relevant laws and regulations; and
3. The Company requires its subsidiaries and associated companies to have a suitable and adequate internal control system.

In addition, if require, the Company may enter into a shareholders' agreement or any other agreement in order to define the management framework and the participation in the decision-making of any matters that are of major significance to the associated companies, as well as to ensure that the investments will generate returns and are for the best interest of the Company and its subsidiaries.

Oversight of the Compliance with Corporate Governance Policies and Guidelines

The Company places the importance on the corporate governance and then determines the relevant policies and guidelines into the Corporate Governance Policy and the Business Ethics, as well as communicates to and educates the employees in order to encourage the compliance so as to build the confidence to the stakeholders. In the past year, the Company oversaw the compliance of the Corporate Governance Policy, details of which can be considered in section 6 Corporate Governance Policy. In addition, the Company oversees the compliance of following policies:

(1) Prevention of Conflict of Interest

The Company realizes the importance of carrying business in transparent manner and considers that preventing the directors, executives and employees from using their positions to seek personal interests is significant. The Company then set the policy on conflict of interests and the policy on the related party transactions, which key subject matters can be summarized as follows:

1. the directors and executives of the Company is required to provide a report on conflict of interests of themselves and their related persons in a form determined by the Company (a) upon holding the position as a new director or executive of the Company, (b) in case of any change of significant information which creates interests or a conflict of interests during the fiscal year and (c) at the end of every fiscal year, and send the same to the Company Secretary for consolidation and making ready for disclosure to the Board of Directors when considering the entering into the related party transactions between the Company and the directors, executives and/or their related persons. The Company Secretary shall provide a copy of such report to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days upon receipt of the report.
2. the Company has a policy to avoid the entry into the connected transactions that may lead to conflict of interests. In case it is necessary and unavoidable, the Board of Directors shall monitor the procedures of entry into transaction to be clear, transparent and fair under the criteria set forth by the SEC Office and the SET. The conditions of transactions shall be determined on an arm's length basis for the Company's best interest. The directors and Executives who have conflict of interests on a transaction shall abstain from considering and casting their vote to approve such transaction.

In 2021, the Company's directors and executives have prepared their report on conflict of interests and has sent the same to the Company Secretary already. The Company Secretary has consolidated and circulated to the Chairman of the Board of Directors and the Chairman of the Audit Committee on 15 December 2021, and reported the material to the Board of Directors' meeting No. 1/2022 held on 9 February 2022 that the Company has entered into the related parties transactions in transparent manner with normal business terms and conditions for the best interest of the Company. The details of which can be considered in section 9.2 Related Party Transactions.

(2) Use of Inside Information for Benefit Seeking

The Company sets the policy on protection of the use of inside information to prevent the directors, executives and employees from misusing the inside information for the benefits of themselves or others, which is considered as taking advantage over other shareholders. Key subject matters can be summarized as follows:

1. the directors, executives and employees of the Company are prohibited from using inside information for the benefit of trading the securities of the Company and are forbidden from the disclosure of inside information to non-relevant persons or outsiders before disclosing the same to the public.
2. the directors, executives and employees of the Company or subsidiaries who are in charge of or have access to inside information (including their spouse and minor child) are prohibited from buying, selling, transferring or being transferred the Company's securities within 1 month prior to (i) the date that the financial statements is disclosed or (ii) the date that the entry into transaction or the investment in the project that may affect the securities price is disclosed (the "Black Out Period"). In case there is a buy, sell, transfer, being transferred of the Company's securities within such period, the directors, executives and employees of the Company or subsidiaries (as the case may be) are required to immediately report to the Board of Directors.
3. if there is any buy, sell, transfer, being transfer of the Company's securities, the directors and executives of the Company (including their spouse, minor child, and legal entity that they, their spouse and minor child collectively hold shares in an amount exceeding 30 percent of total voting shares, as the largest shareholder(s), of such legal entity) are required to prepare a report of changes in their securities holding and deliver the same to the SEC Office within 3 business days from the date of such change. In addition, the directors and executives shall also provide a copy of such report to the Company Secretary. The Company Secretary shall then consolidate and present such report to the Board of Directors at the year end meeting.

In 2021, none of the Company's directors, executives and employees misused the inside information for the benefits of themselves or others, or traded the Company's securities during the Black Out Period.

Summary of changes in securities holding of the directors and executives in comparison of 2021 and 2020

No.	Name-Surname*	Number of Shares			% of shares as of 31 Dec 2021**
		31 Dec 2021	31 Dec 2020	Increase (decrease) during the year	
1.	Mr. Rashane Leerabandhu	-	-	-	-
2.	Mrs. Suparanan Tanviruch	-	-	-	-
3.	Mr. Phanwarit Martmuang	-	-	-	-
4.	Mr. Stephen Joseph Camilleri	-	-	-	-
5.	Mr. Voraphot Chanyakomol	-	-	-	-
6.	Mr. Ian Craig Longden	-	-	-	-

No.	Name-Surname*	Number of Shares			% of shares as of 31 Dec 2021**
		31 Dec 2021	31 Dec 2020	Increase (decrease) during the year	
7.	Mr. Surawoot Tankarnjananurak	-	-	-	-
8.	Ms. Thitagan Thana-Olarn	-	-	-	-
9.	Ms. Natchanan Charoenpathrakiat	-	-	-	-
10.	Mrs. Tientara Deshjamroen	500	500	-	0.00
11.	Ms. Tamtawan Srilaemthong	-	-	-	-

Notes * including spouse and minor child

** As of 31 December 2021, the Company has 365,549,286 issued shares.

(3) Anti-corruption

Anti-corruption Policy

To ensure that the Company sets the responsibilities, practices, and proper actions for prevention of anti-corruption in all Group's business processes, the Company then provides anti-corruption policies and practices (the "Anti-Corruption Policy") covering written practices for gift giving and acceptance, hospitality, charitable contribution, sponsorship, human resource management and political contribution, with the enforcement scope including the Group's directors, executives and employees, which are approved by the Board of Directors. Significant practices to be followed by the Group's directors, executives and employees are as follows:

1. it shall strictly comply with the anti-corruption policies and shall not involve in or conduct any activities in any direct and indirect course of corruption such as demanding for or offering gift or benefit which leads to the performance of or the omission to perform its duties and may affect to the Company's benefit.
2. it shall conduct fraud risk assessment with proper process, including identification of fraud risk, evaluation of impact and likelihood, establishment of measures to mitigate fraud assessed risk, oversight of compliance, and shall report the results to the Audit Committee and the Board of Directors for acknowledgement; and
3. it shall not ignore or overlook any form of all activities that attempting to corruption in the Group. It shall be a responsibility for everyone to report to its supervisor or responsible person and always coordinate with the investigation process. The Company shall protect the employee who refuses or informs of the fraud and corruption matters, although such refusal will cause the Company's loss of its business opportunities.

Full version of the Anti-corruption Policy is posted on the Company's website to be information for shareholders, investors, stakeholders, and related parties to the Company. In addition, the Company announced Anti-corruption Policy via intranet, email and information board within the office.



(4) Whistleblowing

The Company encourages the Group's directors, executives and employees to carry out the business in honest, transparent, and auditable manners. The Company therefore provides the whistleblowing channels for the internal and external stakeholders to raise complaint to the Audit Committee through the Internal Audit Manager at audit@nine.co.th or directly deliver or by post to Nation International Edutainment Public Company Limited 333 Lao Peng Nguan 1 Tower, 24th Floor, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900.

Investigation Process, the Internal Audit Department is assigned to conduct the preliminary investigation. If the information is considered by the Internal Audit Department as verifiable and reliable, it will gather all evidences and send to the Chief Executive Officer for the appointment of investigation committee having the Human Resources Department as the secretary to the committee to carry out investigation process. After completion of investigation process, the Human Resources Department shall report the investigation results and sanctions to the Chief Executive Officer for acknowledgement and further instruction, as well as notify the results to the whistleblower, the Internal Audit Manager and the Audit Committee for acknowledgement.

Protective Measures for Whistleblower, the Company shall keep the identity of whistleblower, recipient of complaint, suspect and any person involving in fact investigation process confidential and shall disclose the information only necessary by considering safety negative effects to related persons.

In 2021, the Company had not received any complaint from internal and external stakeholders through whistleblowing channels.

9. Internal Control and Related Party Transactions

9.1 Internal Control and Risk Management

The Board of Directors places an importance on the internal control system with a view that it is a basic mechanism for governing and monitoring operations to be run efficiently and achieve the objectives. The Company therefore provides a good internal control system covering finance, operation and compliance with the applicable laws, rules and regulations, including effective and adequate checks and balances mechanisms to protect and safeguard the Company's assets and information from unduly or unauthorized use. The Audit Committee has been assigned by the Board of Directors to review the appropriateness, effectiveness and adequacy of the Company's internal control and internal audit systems. The Internal Audit Department, an independent department, is responsible for auditing the performance of all departments to ensure that they perform accurately and concisely in accordance with the regulations and manuals; providing suggestions to departments to develop and improve the operational process; following up the progress on correctness of deficiencies found in the internal audit; and reporting the results of the internal audit to the Audit Committee on a quarterly basis. In this regard, the Internal Audit Department prepares internal audit plan based on the principles of risk assessment and presents it to the Audit Committee for approval every year.

The Board of Directors' Opinion on the Internal Control System

The Board of Directors' Meeting No. 1/2022 held on 9 February 2022, which all members of the Audit Committee attended, acknowledged the assessment results of the adequacy of the Company's internal control system and the Audit Committee's comments from which the Audit Committee has reviewed and approved the internal control assessment form, that was created according to the principle of the Committee of Sponsoring Organization of the Treadway Commission by the SEC Office, based on information inquired from the Internal Audit Department and the executives as well as the internal audit report, and had an opinion in line with the Audit Committee that the Company's internal control system was appropriate and adequate and there were no material deficiencies in the internal control system. The details of which can be summarized as follows:

1. Organization and Environment

The Company designated its business goals that are definite and measurable, and the possibility of achieving the goals was regularly monitored and reviewed. The Company also had an organizational structure that was divided into command lines where the scope of duties and responsibilities of each command line was clearly determined. A remuneration management policy was formulated by taking into consideration the nature of work and working conditions, as well as employee's performance. The Code of Conduct was prepared

based on the Company's responsibilities in conducting business and dealing with stakeholders relating to business operations of the Group for the purpose of enhancing all directors, executives and employees of the Group to have frameworks and guidelines to adhere and follow.

2. Risk Management

The Company identified, assessed and analyzed various factors, both external and internal, that may affect the achievement of the Company's objectives, business plans and business goals, in order to formulate measures and operational plans to reduce potential risks to an acceptable level. Risk management was determined as responsibility of everyone in the Company. In this regard, the Company applied the Committee of Sponsoring Organizations of the Treadway Commission's risk management approach to prepare risk management plans.

3. Control Activities

The Company established policies and operating procedures for different units of works, including financial transactions, procurement transactions, and general administration transactions. The scope of authority and limit of approval of each level of management was clearly set in written. There was a systematic separation of duties of procurement, accounting records, and safeguarding of the Company's assets. The conflict of interest policy and the connected transaction policy were also prepared requiring the Company to avoid the entry into the transaction with person who may have conflict of interest (i.e., major shareholder, director, executive or related party of such person). However, if necessary, in granting approval for entering into such transaction, the Company must be aware of the best interests of the Company, shareholders and stakeholders of the Group. Any person with conflict of interest on related party transaction shall not be entitled to participating in approval of such transaction; provided that such transaction must be considered as transaction made with the third party.

4. Information and Communications

The Company provided information system and communication channels that are suitable, of good quality and equally accessible. The disclosed information and memorandum must be prepared carefully and transparently with concise and easy understanding language, containing accurate and complete contents so that both internal and external stakeholders will receive sufficient information in timely manner for decision-making.

5. Monitoring System

The Company has clear procedures to monitor the implementation of the internal control system to achieve the defined goals and objectives. Such procedures were also reviewed regularly. The Internal Audit Department was responsible for auditing the performance pursuant to operating procedures and manuals of each department and directly reporting the audit results to the Audit Committee. If significant deficiencies were identified, they shall be considered together with relevant department to establish an appropriate guideline and timeframe to correct such deficiencies.

Head of Internal Audit

Mr. Yutthapol Charoenrat, Internal Audit Senior Manager, is head of internal audit, who the Audit Committees viewed that he was appropriately qualified to perform the audit functions effectively because he is knowledgeable, skillful and experienced in conducting audit, with well-understanding of the Company's activities and operations. Besides, in the case of the appointment, removal and transfer of the head of internal audit, it must be approved by the Audit Committee.

9.2 Related Party Transactions

9.2.1 Measures and Procedures for Approval of Related Party Transactions

The Board of Directors sets policies, measures and procedures of entering into related party transactions to ensure the transaction between the Company and person who may have conflict of interest is transparent and to protect the Company's benefit. The Company strictly complies with the securities and stock exchange laws, notifications of the Capital Market Supervisory Board and notifications of the Securities and Exchange Commission concerning connected transactions. Any interested director, executive or person in related party transactions cannot engage in approval of such connected transaction. In case where stipulated by law to seek approval from shareholders and/or the Board of Directors (as the case may be), the Company would arrange the Audit Committee for providing opinion in terms of necessity and justification of such transactions. In the event that the Audit Committee does not have expertise in considering possible related party transactions, the Company shall engage an independent expert or the Company's auditor to provide opinion on such transactions so that the Audit Committee and/or the Board of Directors and/or shareholders (as the case may be) can use such opinion to support its decision-making. In addition, the Company shall disclose related party transactions in the notes to Company's financial statements, the annual reports and the annual registration statement (Form 56-1).

9.2.2 Tendency on Entry into Related Party Transactions in Future

The Company has a policy to avoid entering into transactions with person who may have conflict of interest. However, the Company may need to enter into the related party transactions with interested person in the future probably because of continuous commercial contracts executed in the past or it may be a transaction under the Company's normal course of business. In this respect, the terms and conditions of such transactions must be general trade conditions with market prices, which can be comparable to transactions entered into with the third party.

9.2.3 Summary of the Audit Committee' Opinions

The Audit Committee reviewed the disclosure of related party transactions and those with possible conflicts of interest in 2021 and opined that the transactions were reasonable and necessary based on normal course of business; transparent; disclosed information sufficiently as if they were entered into with the third party; complied with relevant laws and regulations; and took into consideration the Company's maximum benefit.

Related party transactions for the year 2021 in comparison with 2020 value

Person with Conflict of Interest / Relationship	Transactions	Value as of 31 December		Explanation
		2021	2020	
Nation Global Edutainment Co., Ltd. (NGE), a subsidiary which the Company holding 99.99 percent of shares and having common directors	Other income	5.00	7.37	The Company charges expenses that it advance on behalf of NGE (such as office rental) and administrative support fees (such as accounting works) at the agreed rate.
	Other accounts receivables – related company	0.85	14.23	
	Selling and administrative expenses	2.00	1.77	The Company pays a service fee to NGE for the use of production management services. and warehouse management at a service fee plus cost.
	Others accounts payable – related company	0.02	1.44	
One World Media Co., Ltd. (OWM) , a subsidiary which the Company holding 99.99 percent of shares and having common directors	Other accounts receivables – related company	- 4.16	- 4.16	The Company charges office space usage fees and utilities at a price plus cost.

Note: Information regarding the related party transactions in the past 3 years can be considered in the Annual Registration Statement 2020 (Form 56-1).

Nation International Edutainment Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

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 2021, 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 2021, 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 9 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 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.



Pornanan Kitjanawanchai
Certified Public Accountant (Thailand) No. 7792

EY Office Limited
Bangkok: 9 February 2022

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	257,368,819	173,940,351	249,896,395	129,702,699
Trade and other receivables	8	23,453,465	65,475,438	14,098,394	71,990,444
Inventories	9	19,429,355	15,088,731	11,678,753	8,051,353
Other current financial assets	10	9,023,503	64,468	9,023,503	64,468
Other current assets		13,398,420	10,628,553	5,729,074	2,747,835
Total current assets		322,673,562	265,197,541	290,426,119	212,556,799
Non-current assets					
Investments in subsidiaries	11	-	-	-	70,008,480
Investment property	12	-	72,412,172	-	-
Leasehold improvements and equipment	13	50,032,072	8,751,725	49,903,219	8,506,078
Right-of-use assets	16	96,993,623	12,656,786	96,993,623	12,656,786
Intangible assets	14	10,427,195	7,390,370	10,083,478	6,176,807
Other non-current financial assets	10	19,727,830	11,709,480	19,727,830	11,709,480
Other non-current assets		1,915,324	1,765,534	1,913,325	1,693,535
Total non-current assets		179,096,044	114,686,067	178,621,475	110,751,166
Total assets		501,769,606	379,883,608	469,047,594	323,307,965

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 2021

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	15	52,474,274	34,194,393	39,265,833	15,479,761
Current portion of lease liabilities	16	6,354,072	3,352,037	6,354,072	3,352,037
Income tax payable		-	557,802	-	-
Provision for sale return	17	3,051,874	5,360,685	2,215,229	4,699,441
Other current liabilities		<u>1,071,958</u>	<u>2,670,730</u>	<u>776,857</u>	<u>2,463,618</u>
Total current liabilities		<u>62,952,178</u>	<u>46,135,647</u>	<u>48,611,991</u>	<u>25,994,857</u>
Non-current liabilities					
Lease liabilities, net of current portion	16	92,508,985	9,683,113	92,508,985	9,683,113
Provision for long-term employee benefits	18	8,655,254	12,194,720	7,296,345	10,752,182
Other non-current liabilities		<u>1,037,421</u>	<u>2,217,990</u>	<u>690,070</u>	<u>170,000</u>
Total non-current liabilities		<u>102,201,660</u>	<u>24,095,823</u>	<u>100,495,400</u>	<u>20,605,295</u>
Total liabilities		<u>165,153,838</u>	<u>70,231,470</u>	<u>149,107,391</u>	<u>46,600,152</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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Registered					
390,549,286 ordinary shares of Baht 1 each		390,549,286	390,549,286	390,549,286	390,549,286
Issued and fully paid up					
365,549,286 ordinary shares of Baht 1 each		365,549,286	365,549,286	365,549,286	365,549,286
Share premium		342,646,051	342,646,051	342,646,051	342,646,051
Retained earnings (deficits)					
Appropriated - statutory reserve	19	10,650,000	10,650,000	10,650,000	10,650,000
Deficits		(381,914,675)	(448,972,340)	(398,590,134)	(442,137,524)
Other components of shareholders' equity		(315,000)	-	(315,000)	-
Equity attributable to owners of the Company		336,615,662	269,872,997	319,940,203	276,707,813
Non-controlling interests of the subsidiaries		106	39,779,141	-	-
Total shareholders' equity		336,615,768	309,652,138	319,940,203	276,707,813
Total liabilities and shareholders' equity		501,769,606	379,883,608	469,047,594	323,307,965

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 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Profit or loss:					
Continued operation					
Revenues					
Sales and service income	20	96,301,905	74,211,952	62,991,183	40,061,506
Other income					
Dividend income	10, 11	16,340,924	-	38,146,844	-
Management income		-	-	5,198,385	7,367,117
Gain on sales of investment in subsidiary		-	-	17,980,320	-
Others		3,928,287	3,180,326	3,642,288	2,513,516
Total revenues		116,571,116	77,392,278	127,959,020	49,942,139
Expenses					
Cost of sales and services		57,654,672	52,613,418	40,782,321	31,992,262
Selling and distribution expenses		13,534,010	5,579,393	12,968,470	5,215,006
Administrative expenses		61,783,985	49,922,184	58,284,555	46,796,702
Reversal of allowance for expected credit losses	6	(533,787)	(123,675)	(23,383,989)	(11,964,544)
Reversal of payables	15	(14,921,861)	-	(3,703,616)	-
Bad debt		528,539	-	28,173,127	-
Total expenses		118,045,558	107,991,320	113,120,868	72,039,426
Profit (loss) from operating activities		(1,474,442)	(30,599,042)	14,838,152	(22,097,287)
Finance income		908,987	1,496,325	903,634	1,490,320
Finance cost		(1,516,224)	(1,322,481)	(1,435,516)	(1,135,465)
Profit (loss) before income tax		(2,081,679)	(30,425,198)	14,306,270	(21,742,432)
Income tax	22	5,507,877	3,467,107	5,507,877	3,803,559
Profit (loss) for the year from continued operation		3,426,198	(26,958,091)	19,814,147	(17,938,873)
Discontinued operation					
Profit for the period from discontinued operation	11	39,692,708	463,508	-	-
Profit (loss) for the year		43,118,906	(26,494,583)	19,814,147	(17,938,873)
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		(1,627,409)	-	(1,833,315)	-
Gain on investments in equity instruments designated at fair value through other comprehensive income - net of income tax		25,251,558	22,203,942	25,251,558	22,203,942
Other comprehensive income for the year		23,624,149	22,203,942	23,418,243	22,203,942
Total comprehensive income for the year		66,743,055	(4,290,641)	43,232,390	4,265,069

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 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Profit (loss) attributable to:					
Equity holders of the Company					
Profit (loss) from continued operation		3,425,808	(27,020,883)	19,814,147	(17,938,873)
Profit from discontinued operation		39,692,708	463,508	-	-
		<u>43,118,516</u>	<u>(26,557,375)</u>	<u>19,814,147</u>	<u>(17,938,873)</u>
Non-controlling interests of the subsidiaries					
Profit from continued operation		<u>390</u>	<u>62,792</u>		
		<u>390</u>	<u>62,792</u>		
		<u>43,118,906</u>	<u>(26,494,583)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company					
Profit (loss) from continued operation		27,049,957	(4,816,941)	43,232,390	4,265,069
Profit from discontinued operation		39,692,708	463,508	-	-
		<u>66,742,665</u>	<u>(4,353,433)</u>	<u>43,232,390</u>	<u>4,265,069</u>
Non-controlling interests of the subsidiaries					
Profit from continued operation		<u>390</u>	<u>62,792</u>		
		<u>390</u>	<u>62,792</u>		
		<u>66,743,055</u>	<u>(4,290,641)</u>		
Earnings per share					
	23				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.12</u>	<u>(0.07)</u>	<u>0.05</u>	<u>(0.05)</u>
Earnings per share from continued operation					
	23				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.01</u>	<u>(0.07)</u>	<u>0.05</u>	<u>(0.05)</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

For the year ended 31 December 2021

	Consolidated financial statements										(Unit: Baht)
	Equity attributable to the owners of the Company										
	Other components of shareholders' equity										
	Other comprehensive income										
	Total other components of shareholders' equity										
	Reserve for fair value of investments										
	Total equity attributable to the owners of the Company										
	Equity attributable to non-controlling interests of the subsidiaries										
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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 2021

(Unit: Baht)

	Separate financial statements							
	Issued and fully paid-up share capital	Share premium	Retained earnings (deficits)		Reserve for fair value of investments	Other components of shareholders' equity		Total shareholders' equity
			Appropriated	Deficits		Total other components of shareholders'	Other comprehensive income	
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
Total comprehensive income for the year	-	-	-	(17,938,873)	22,203,942	22,203,942	-	4,265,069
Sales of investments in equity instruments	-	-	-	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
Balance as at 1 January 2021	365,549,286	342,646,051	10,650,000	(442,137,524)	-	-	-	276,707,813
Profit for the year	-	-	-	19,814,147	-	-	-	19,814,147
Other comprehensive income for the year	-	-	-	(1,833,315)	25,251,558	25,251,558	-	23,418,243
Total comprehensive income for the year	-	-	-	17,980,832	25,251,558	25,251,558	-	43,232,390
Sales of investments in equity instruments (Note 10)	-	-	-	25,566,558	(25,566,558)	(25,566,558)	-	-
Balance as at 31 December 2021	365,549,286	342,646,051	10,650,000	(398,590,134)	(315,000)	(315,000)	(315,000)	319,940,203

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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before tax from continued operation	(2,081,679)	(30,425,198)	14,306,270	(21,742,432)
Profit before tax from discontinued operation	39,595,321	579,385	-	-
Profit (loss) before tax	37,513,642	(29,845,813)	14,306,270	(21,742,432)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	14,481,895	12,603,725	11,444,253	9,212,986
Bad debt	528,539	-	28,173,127	-
Reversal of allowance for expected credit losses	(533,787)	(123,675)	(23,383,989)	(11,964,544)
Reduction of inventory to net realisable value (reversal)	(4,768,282)	2,736,909	(3,669,466)	708,319
Right of return asset (reversal)	740,244	(850,347)	791,328	(865,003)
Loss on written-off of withholding tax	652,928	52,332	554,127	722
Gain on sales/write-off of equipment	(226)	(63,607)	(226)	-
Gain on fair value adjustment of financial assets	(3,018,350)	(1,809,480)	(3,018,350)	(1,809,480)
Reversal of payables	(14,393,501)	-	(3,703,616)	-
Provision for sale return (reversal)	(2,308,811)	3,836,713	(2,484,212)	3,964,804
Provision for long-term employee benefits	1,083,125	987,598	960,848	876,323
Unrealised loss (gain) on exchange	528,360	(49,800)	-	-
Loss (gain) on sale of investment in subsidiary	(40,717,194)	-	(17,980,320)	295,844
Dividend income	(16,340,924)	-	(38,146,844)	-
Finance income	(908,987)	(1,517,467)	(903,634)	(1,490,320)
Finance cost	1,516,354	1,322,511	1,435,516	1,135,465
Loss from operating activities before changes in operating assets and liabilities	(25,944,975)	(12,720,401)	(35,625,188)	(21,677,316)
Operating assets (increase) decrease				
Trade and other receivables	(5,433,275)	(4,497,906)	6,423,330	3,263,460
Inventories	(312,586)	(1,944,707)	(749,262)	87,281
Other current assets	(2,220,946)	116,006	(2,206,293)	2,164
Other non-current assets	(219,789)	191,519	(219,789)	(4,280)
Operating liabilities increase (decrease)				
Trade and other payables	13,246,310	5,678,373	7,761,985	4,214,428
Other current liabilities	619,200	(1,610,879)	(1,686,761)	(1,379,759)
Provision for long-term employee benefits	(6,250,000)	-	(6,250,000)	-
Other non-current liabilities	520,070	10,000	520,070	10,000
Cash flows used in operating activities	(25,995,991)	(14,777,995)	(32,031,908)	(15,484,022)
Cash paid for interest expenses	(1,516,354)	(1,322,511)	(1,435,516)	(1,135,465)
Cash paid for corporate income tax	(3,323,092)	(806,862)	(3,199,524)	(554,127)
Cash return from corporate income tax	986,688	518,254	986,688	518,254
Net cash flows used in operating activities	(29,848,749)	(16,389,114)	(35,680,260)	(16,655,360)

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 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Acquisition of other current financial assets	(267,408,864)	(165,576,521)	(267,408,864)	(166,060,721)
Cash receipt from sales of other current financial assets	336,771,066	147,134,031	336,771,066	147,134,031
Acquisition of other non-current financial assets	(5,000,000)	(9,900,000)	(5,000,000)	(9,900,000)
Net cash paid for acquisition of investment in subsidiary	-	(30,817,147)	-	(70,008,480)
Net cash receipt from sale of investment in subsidiary	80,076,720	-	87,988,800	-
Cash receipt from the dissolution of subsidiary	-	-	-	704,156
Cash receipt from sales of equipment	12,000	63,607	12,000	-
Acquisitions of leasehold improvements and equipment	(26,675,047)	(320,656)	(26,667,611)	(311,166)
Acquisitions of intangible assets	(6,011,578)	(6,241,538)	(5,463,703)	(3,803,956)
Dividend received	16,340,924	-	38,146,844	-
Interest received	910,528	1,740,069	905,176	1,709,824
Net cash flows from (used in) investing activities	<u>129,015,749</u>	<u>(63,918,155)</u>	<u>159,283,708</u>	<u>(100,536,312)</u>
Cash flows from financing activities				
Cash paid for lease liabilities	(3,409,752)	(3,151,025)	(3,409,752)	(3,151,025)
Dividend paid of subsidiary to non-controlling interests of subsidiary	(12,328,780)	-	-	-
Net cash flows used in financing activities	<u>(15,738,532)</u>	<u>(3,151,025)</u>	<u>(3,409,752)</u>	<u>(3,151,025)</u>
Net increase (decrease) in cash and cash equivalents	<u>83,428,468</u>	<u>(83,458,294)</u>	<u>120,193,696</u>	<u>(120,342,697)</u>
Cash and cash equivalents at beginning of year	<u>173,940,351</u>	<u>257,398,645</u>	<u>129,702,699</u>	<u>250,045,396</u>
Cash and cash equivalents at end of year	<u>257,368,819</u>	<u>173,940,351</u>	<u>249,896,395</u>	<u>129,702,699</u>
Supplemental cash flows information:				
Non-cash item:				
Payable from purchases of leasehold improvement and equipment	17,649,532	-	17,649,532	-
Payable from purchases of intangible assets	2,078,170	-	2,078,170	-
Receivable from sale of investment	-	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 2021

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, distributing local and foreign publications and character management, trading of consumer goods and providing rental areas. 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>2021</u>	<u>2020</u>
			%	%
Nation Global Edutainment Co.,Ltd.	Publishing and distributing books for edutainment	Thailand	99.99	99.74
One World Media Co.,Ltd.	In process of liquidation	Thailand	99.99	99.99
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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 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 book rights is recognised at a point in time when the Group renders services to the customer.

Service income from translation services is recognised at a point in time when the Group renders services 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.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 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.

4.3 Inventories

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

4.4 Investments in subsidiaries

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

4.5 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.

4.6 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:

Building and rental area improvements	5 - 8 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.

4.7 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 the straight-line 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 5 years and the calculation based on the number of books that are printed or sold under that copyright contract

No amortisation is provided on software under development.

4.8 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

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 and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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:

Commercial area	8 years
Buildings and warehouse	7 years
Motor vehicles	3 - 5 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.

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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 Financial instruments

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.

Recognition and derecognition of financial instruments

Financial assets are recognised or derecognised on the trade date, i.e., the date on which an asset is delivered to or by the Group. This includes regular way trades.

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 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 as credit impaired or 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.

ECLs are calculated 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.

4.15 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.

5. 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.

6. 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 financial statements		Separate financial statements		Transfer pricing policy
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Management income	-	-	5	7	Contract price
Administrative expenses	-	-	2	2	Contract price
Transaction with related parties					
Purchase of investment in subsidiary	-	70	-	70	Contract price

As at 31 December 2021 and 2020, the balances of the accounts between the Company, subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	5,009	41,767
Less: Allowance for expected credit loss	-	-	(4,157)	(27,541)
Total other receivables - related parties	-	-	852	14,226
<u>Other payables - related party (Note 15)</u>				
Subsidiary	-	-	24	1,445
Total other payables - related party	-	-	24	1,445

Set out below is the movements in the allowance for expected credit losses of other receivables - related parties.

(Unit: Thousand Baht)		
	Separate financial statements	
	<u>2021</u>	<u>2020</u>
Beginning balance	27,541	39,506
Provision for expected credit losses	-	1,223
Written off / Reversal	(23,384)	(13,188)
Ending balance	<u>4,157</u>	<u>27,541</u>

The significant decrease of Baht 23.4 million in the allowance for expected credit losses of other receivables - related parties in 2021 was mainly due to debts remission to a subsidiary (2020: Baht 13.2 million was mainly due to debt collection.)

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses of its directors and management as below.

(Unit: Million Baht)		
	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	22	15
Post-employment benefits	5	1
Total	<u>27</u>	<u>16</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	140	51	125	30
Bank deposits	147,229	123,889	139,771	79,673
Time deposits	110,000	50,000	110,000	50,000
Total	257,369	173,940	249,896	129,703

As at 31 December 2021, bank deposits in saving accounts, fixed deposits and time deposits carried interests between 0.25 and 0.70% per annum (2020: between 0.20 and 0.55% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables</u>				
Aged on the basis of due dates				
Not yet due	13,118	10,649	5,153	4,459
Past due				
Up to 3 months	6,890	5,864	5,666	4,730
3 - 12 months	39	2	24	-
Over 12 months	5	538	-	-
Total	20,052	17,053	10,843	9,189
Less: Allowance for expected credit loss	(5)	(539)	-	-
Total trade receivables - net	20,047	16,514	10,843	9,189
<u>Other receivables</u>				
Accrued income	3,197	2,208	2,199	1,830
Interest receivables	35	37	35	37
Receivable from sales of investments	-	46,680	-	46,680
Other receivables - related parties	-	-	5,009	41,767
Other receivables	174	56	169	28
Total	3,406	48,981	7,412	90,342
Less: Allowance for expected credit loss	-	(20)	(4,157)	(27,541)
Total other receivables - net	3,406	48,961	3,255	62,801
Total trade and other receivables	23,453	65,475	14,098	71,990

The normal credit term is 30 to 90 days.

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u> <u>2020</u>
Finished goods	30,889	30,576	(12,052)	(16,820)	18,837 13,756
Right of return asset	592	1,332	-	-	592 1,332
Total	<u>31,481</u>	<u>31,908</u>	<u>(12,052)</u>	<u>(16,820)</u>	<u>19,429</u> <u>15,088</u>

(Unit: Thousand Baht)

Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u> <u>2020</u>
Finished goods	18,036	17,286	(6,632)	(10,302)	11,404 6,984
Right of return asset	275	1,067	-	-	275 1,067
Total	<u>18,311</u>	<u>18,353</u>	<u>(6,632)</u>	<u>(10,302)</u>	<u>11,679</u> <u>8,051</u>

During the year, the Group reduced cost of inventories by Baht 3.0 million (2020: Baht 4.0 million) (the Company only: Baht 2.1 million, 2020: Baht 1.7 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 7.7 million (2020: Baht 1.3 million) (the Company only: Baht 5.7 million, 2020: Baht 1.0 million), and reduced the amount of inventories recognised as expenses during the year due to sales of those inventories.

10. Other current/non-current financial assets

(Unit: Thousand Baht)

Consolidated/Separate financial statements	
<u>2021</u>	<u>2020</u>
<u>Debt instruments at amortised cost</u>	
Bill of exchange	67 65
Total	<u>67</u> <u>65</u>

(Unit: Thousand Baht)		
Consolidated/Separate		
financial statements		
	<u>2021</u>	<u>2020</u>
<u>Equity instruments designated at fair value through other comprehensive income</u>		
Food and beverage industry	8,957	-
Total	8,957	-
Total other current financial assets	9,024	65
<u>Debt instruments measured at fair value through profit or loss</u>		
Unquoted debt instruments	14,728	11,709
Total	14,728	11,709
<u>Equity instruments designated at fair value through other comprehensive income</u>		
Food and beverage industry	5,000	-
Total	5,000	-
Total other non-current financial assets	19,728	11,709

On 23 April 2020, the Company acquired 90,000 ordinary shares of a related company, representing 18.35% of the issued shares amounting to Baht 9.9 million. Each seller had a buy-back option at a specific price within 3 years from the date the purchase was completed. The Company's management considered the investment as debt instrument because the sellers of those shares will exercise the option within the specified period and classified the investment under the caption of "Debt instruments measured at fair value through profit or loss". Subsequently, on 25 February 2021, the Company received dividend from that Company amounting to Baht 16.3 million.

On 30 July 2021, the Company acquired 50,000 ordinary shares of a non-related company, representing 10% of the issued shares for the amount of Baht 5 million. The company domiciled in Thailand and engaged in the distribution and marketing of confectionery and snack products. The Company classified the investment under the caption "Equity instruments designated at fair value through other comprehensive income".

In addition, during the year, the Company acquired quoted equity instruments (designated at fair value through other comprehensive income) amounting to Baht 147.4 million and sold partial of them amounting to Baht 170.1 million. The Company recognised gain of sales of equity instruments of Baht 25.6 million (net of income tax) in the retained earnings.

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		Dividend received during the year	
	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)				
Nation Global Edutainment Co.,Ltd.	200	200	99.99	99.74	163.4	163.4	-	-
One World Media Co.,Ltd.	60	60	99.99	99.99	60.0	60.0	-	-
Landy Development Co.,Ltd.	-	40	-	63.76	-	70.0	21.8	-
Total					223.4	293.4	21.8	-
Less: Allowance for impairment					(223.4)	(223.4)		
Investments in subsidiaries - net					-	70.0		

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

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the years	
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
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.	
	2021	2020
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>2021</u>	<u>2020</u>
Revenue	1.3	1.7
Profit (loss)	(1.0)	0.2
Total comprehensive income	(1.0)	0.2

Summarised information about cash flow

	(Unit: Million Baht)	
	For the years ended 31 December	
	Landy Development Co., Ltd.	
	<u>2021</u>	<u>2020</u>
Cash flow from operating activities	2.8	0.1
Cash flow used in financing activities	(34.2)	-
Net increase (decrease) in cash and cash equivalents	<u>(31.4)</u>	<u>0.1</u>

Landy Development Company Limited (“Landy”)

On 22 February 2021, the Company’s Board of Directors passed a resolution approving the sale of 2.55 million ordinary shares of Landy to unrelated companies (“the buyers”) for a total of Baht 88 million. On 1 March 2021, the Company transferred the shares to the buyers. The financial statements of Landy were not included in the consolidated financial statements from 1 March 2021.

Details of the book values of assets and liabilities of Landy as at 1 March 2021 are as follows:

	(Unit: Thousand Baht)
Assets	
Cash and cash equivalents	7,912
Trade and other receivables	781
Other current assets	195
Investments properties	70,868
Other non-current assets	119
Total assets	<u>79,875</u>

(Unit: Thousand Baht)

Liabilities

Trade and other payables	829
Other current liabilities	2,622
Other non-current liabilities	1,701
Total liabilities	5,152
Non-controlling interests of the subsidiary	27,451
Net assets	47,272

Cash receipt from sale of investment in subsidiary	87,989
Less: Cash and cash equivalents of the subsidiary	(7,912)
Net cash receipt from sale of investment in subsidiary	80,077

The Group recorded a gain on sale of the investment in profit or loss for the current year as detailed below.

	Consolidated financial statements	Separate financial statements
Selling price of investment in a subsidiary	87,989	87,989
Less: Book value of net assets/investment in a subsidiary as at selling date	(47,272)	(70,009)
Gain on sale of investment in a subsidiary	40,717	17,980

The Group presented the operating results of Landy until the transfer date under discontinued operation for the current year in the consolidated financial statements as detailed below.

	Consolidated financial statements	
	2021	2020
<u>Statements of comprehensive income</u>		
Revenue	1,271	1,661
Expenses	(2,393)	(1,081)
Gain (loss) before income tax	(1,122)	580
Income tax	96	(116)
Gain (loss) from discontinued operation	(1,026)	464
Gain on sales of investment in subsidiary	40,717	-
Profit for the year from discontinued operation	39,693	464

Cash flow information from the discontinued operations for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Cash flow from operating activities	2,788	111
Cash flow from investing activities	-	21
Cash flow used in financing activities	(12,394)	-

Detail of earnings per share of the discontinued operation of the year ended 31 December 2021 and 2020 are as follows:

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Basic earnings per share		
Profit attributable to equity holders of the Company (Baht)	0.100	0.001

12. Investment property

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>2021</u>
As at 1 January 2020	-
Acquisition of subsidiary	73,182
Acquisition	2
Depreciation	(772)
As at 31 December 2020	72,412
Depreciation	(1,544)
Sales of subsidiary (Note 11)	(70,868)
As at 31 December 2021	-

The additional information of the investment property as at 31 December 2020

	(Unit: Thousand Baht)
	Consolidated financial statements
Fair value of land and building for lease	245,435

The fair value of the above land and building for lease has been determined based on valuation performed by an accredited independent valuer. The fair value has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

13. Leasehold improvements and equipment

(Units: Thousand Baht)

	Consolidated financial statements				
	Building and rental area improvements	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost					
1 January 2020	7,417	7,264	1,527	1,729	17,937
Additions	298	31	-	-	329
Acquisition of subsidiary	-	11,477	-	-	11,477
Disposals	-	(271)	-	-	(271)
Transfers	1,729	-	-	(1,729)	-
31 December 2020	9,444	18,501	1,527	-	29,472
Additions	10,675	4,154	-	29,494	44,323
Disposals	-	(18)	-	-	(18)
Transfers	26,737	2,744	-	(29,481)	-
Sales of subsidiary	-	(11,484)	-	-	(11,484)
31 December 2021	46,856	13,897	1,527	13	62,293
Accumulated depreciation					
1 January 2020	1,754	1,922	1,165	-	4,841
Depreciation	1,873	958	205	-	3,036
Acquisition of subsidiary	-	11,450	-	-	11,450
Depreciation on disposals	-	(64)	-	-	(64)
31 December 2020	3,627	14,266	1,370	-	19,263
Depreciation	1,938	996	66	-	3,000
Depreciation on disposals	-	(7)	-	-	(7)
Sales of subsidiary	-	(11,452)	-	-	(11,452)
31 December 2021	5,565	3,803	1,436	-	10,804
Allowance for impairment loss					
1 January 2020	-	1,664	-	-	1,664
Reversal	-	(207)	-	-	(207)
31 December 2020	-	1,457	-	-	1,457
31 December 2021	-	1,457	-	-	1,457
Net book value					
31 December 2020	5,817	2,778	157	-	8,752
31 December 2021	41,291	8,637	91	13	50,032
Depreciation for the year					
2020 (Baht 0.8 million included in cost of sales and service, and the balance in administrative expenses)					3,036
2021 (Baht 1.7 million included in cost of sales and service, and the balance in administrative expenses)					3,000

(Units: Thousand Baht)

Separate financial statements					
	Building and rental area improvements	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost					
1 January 2020	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
Additions	10,675	4,147	-	29,494	44,316
Disposals	-	(18)	-	-	(18)
Transfers	26,737	2,744	-	(29,481)	-
31 December 2021	46,856	11,540	1,200	13	59,609
Accumulated depreciation					
1 January 2020	1,754	1,059	1,061	-	3,874
Depreciation	1,873	919	139	-	2,931
31 December 2020	3,627	1,978	1,200	-	6,805
Depreciation	1,938	970	-	-	2,908
Depreciation on disposals	-	(7)	-	-	(7)
31 December 2021	5,565	2,941	1,200	-	9,706
Net book value					
31 December 2020	5,817	2,689	-	-	8,506
31 December 2021	41,291	8,599	-	13	49,903
Depreciation for the year					
2020 (Baht 0.1 million included in cost of sales and service, and the balance in administrative expenses)					2,931
2021 (Baht 0.1 million included in cost of sales and service, and the balance in administrative expenses)					2,908

As at 31 December 2021, certain items of leasehold improvements and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1.4 million (2020: Baht 1.4 million) (the Company only: Baht 1.3 million, 2020: Baht 1.3 million).

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 2020	24,165	6,979	1,489	30,000	-	62,633
Additions	-	5,557	-	-	685	6,242
Acquisition of subsidiary	404	-	-	-	-	404
31 December 2020	24,569	12,536	1,489	30,000	685	69,279
Additions	631	3,933	-	-	3,525	8,089
Transfers	3,525	-	-	-	(3,525)	-
Sales of subsidiary	(404)	-	-	-	-	(404)
31 December 2021	28,321	16,469	1,489	30,000	685	76,964
Accumulated amortisation						
1 January 2020	7,874	3,676	1,467	14,428	-	27,445
Amortisation	737	4,509	22	-	-	5,268
Acquisition of subsidiary	387	-	-	-	-	387
31 December 2020	8,998	8,185	1,489	14,428	-	33,100
Amortisation	848	4,187	-	-	-	5,035
Sales of subsidiary	(387)	-	-	-	-	(387)
31 December 2021	9,459	12,372	1,489	14,428	-	37,748
Allowance for impairment loss						
1 January 2020	13,217	-	-	15,572	-	28,789
31 December 2020	13,217	-	-	15,572	-	28,789
31 December 2021	13,217	-	-	15,572	-	28,789
Net book value						
31 December 2020	2,354	4,351	-	-	685	7,390
31 December 2021	5,645	4,097	-	-	685	10,427
Amortisation for the year						
2020 (Baht 4.9 million included in cost of sales and service, and the balance in administrative expenses)						5,268
2021 (Baht 4.7 million included in cost of sales and service, and the balance in administrative expenses)						5,035

(Units: Thousand Baht)

Separate financial statements					
	Computer programmes and software licences	Licence fees - books	Programme licences	Software under development	Total
Cost					
1 January 2020	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
Additions	631	3,385	-	3,525	7,541
Transfers	3,525	-	-	(3,525)	-
31 December 2021	7,924	10,886	1,489	685	20,984
Accumulated amortisation					
1 January 2020	694	2,352	1,467	-	4,513
Amortisation	737	1,994	22	-	2,753
31 December 2020	1,431	4,346	1,489	-	7,266
Amortisation	848	2,787	-	-	3,635
31 December 2021	2,279	7,133	1,489	-	10,901
Net book value					
31 December 2020	2,337	3,155	-	685	6,177
31 December 2021	5,645	3,753	-	685	10,083
Amortisation for the year					
2020 (Baht 2.4 million included in cost of sales and service, and the balance in administrative expenses)					2,753
2021 (Baht 3.3 million included in cost of sales and service, and the balance in administrative expenses)					3,635

As at 31 December 2021, certain items of computer programmes and software licenses were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation and allowance for impairment loss of those assets amounted to approximately Baht 0.2 million (2020: Baht 0.2 million) (the Company only: Baht 0.2 million, 2020: Baht 0.2 million).

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables	9,477	5,414	5,281	3,884
Other payables - related party	-	-	24	1,445
Other payables	11,225	13,522	10,846	1,303
Accrued expenses	31,772	15,258	23,115	8,848
Total trade and other payables	<u>52,474</u>	<u>34,194</u>	<u>39,266</u>	<u>15,480</u>

During the year, the Company recorded reversal of payables amounting to Baht 14.9 million (the Company only: Baht 3.7 million) since they are long outstanding and payments have not been called for.

16. Leases

The Group as a lessee

The Group has lease contracts for assets used in its operations. Leases generally have lease terms between 3 - 8 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated/Separate financial statements			
	Buildings and			
	Commercial area	warehouse	Motor vehicles	Total
1 January 2020	-	14,698	1,488	16,186
Depreciation	-	(2,842)	(687)	(3,529)
31 December 2020	-	11,856	801	12,657
Addition	83,972	-	5,266	89,238
Depreciation	(874)	(2,842)	(1,185)	(4,901)
31 December 2021	<u>83,098</u>	<u>9,014</u>	<u>4,882</u>	<u>96,994</u>

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Lease payments	122,103	14,800
Less: Deferred interest expenses	(23,240)	(1,765)
Total	98,863	13,035
Less: Portion due within one year	(6,354)	(3,352)
Lease liabilities - net of current portion	92,509	9,683

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statement	
	<u>2021</u>	<u>2020</u>
Beginning balance	13,035	16,186
Addition	89,238	-
Recognised interests	1,224	915
Repayment	(4,634)	(4,066)
Ending balance	98,863	13,035

A maturity analysis of lease payments is disclosed in Note 28 to the financial statements under the liquidity risk.

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

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	4,901	3,529
Interest expense on lease liabilities	1,224	915
Expense relating to leases of low-value assets	272	212

The Group has lease contracts for commercial area that contain variable payments based on sales. The lease term is 8 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 4.5 million (2020: Baht 4.1 million) (the Company only: Baht 4.5 million, 2020: Baht 4.1 million), including the cash outflow related to leases of low-value assets.

17. Provision for sale return

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2020	1,524	735
Increase	3,837	3,964
As at 31 December 2020	5,361	4,699
Decrease	(2,309)	(2,484)
As at 31 December 2021	3,052	2,215

18. 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 2021 and 2020, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for long-term employee				
benefits at beginning of year	12,195	11,207	10,752	9,876
Included in profit or loss:				
Current service cost	925	859	839	780
Interest cost	158	129	122	96
Included in other comprehensive income:				
Actuarial loss arising from				
experience adjustments	1,627	-	1,833	-
Employee benefits paid in the year	(6,250)	-	(6,250)	-
Provision for long-term employee				
benefits at end of year	8,655	12,195	7,296	10,752

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 13.9 years (2020: 14.4 years).

Significant actuarial assumptions are summarised below.

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate	2.35	1.71	2.35	1.71
Salary increase rate	3.00 - 4.00	4.00 - 8.50	3.00 - 4.00	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 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	2021			
	Consolidated Financial Statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(761)	876	(651)	752
Salary increase rate	867	(759)	747	(650)

	(Unit: Thousand Baht)			
	2020			
	Consolidated Financial Statements		Consolidated Financial Statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(724)	857	(573)	683
Salary increase rate	954	(815)	757	(642)

19. 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.

20. Sales and service income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Sales	83,038	67,339	49,727	33,201
Service income from electronics books	8,075	4,872	8,075	4,872
Other service income	5,189	2,001	5,189	1,988
Total	<u>96,302</u>	<u>72,212</u>	<u>62,991</u>	<u>40,061</u>

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Changes in inventories	(313)	(1,944)	(750)	87
Reduction of inventory to net realisable value (reversal)	(4,768)	2,736	(3,669)	708
Printing service and production costs	33,089	27,143	19,527	14,090
Depreciation and amortisation	14,482	12,604	11,444	9,213
Employee benefit expenses	54,704	42,715	51,386	39,696
Reversal of allowance for expected credit losses	(534)	(124)	(23,384)	(11,965)
Reversal of payables	(14,922)	-	(3,704)	-
Bad debt	529	-	28,173	-

22. Income tax

Income tax for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Continued operation				
Current income tax:				
Corporate income tax for the year	884	-	884	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,392)	(3,467)	(6,392)	(3,804)
Income tax benefit reported in profit or loss	<u>(5,508)</u>	<u>(3,467)</u>	<u>(5,508)</u>	<u>(3,804)</u>

The amount of income tax relating to each of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>2021</u>	<u>2020</u>
Deferred income tax relating to gain on investments in equity instruments	6,392	5,551

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit (loss) before tax	<u>(37,514)</u>	<u>(29,846)</u>	<u>14,306</u>	<u>(21,742)</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	7,503	(5,969)	2,861	(4,348)
Unrecognised tax loss that is used to reduce current tax expenses	(13,766)	-	(9,012)	-
Effects of:				
Non-deductible expenses	1,821	239	1,528	165
Temporary differences for which no deferred tax was recognised	(1,157)	1,434	(880)	(1,456)
Impairment loss on deferred tax assets	-	1,968	-	1,747
Others	(5)	(1,023)	(5)	88
Income tax reported in profit or loss	<u>(5,604)</u>	<u>(3,351)</u>	<u>(5,508)</u>	<u>(3,804)</u>
Income tax from continued operation	(5,508)	(3,467)	(5,508)	(3,804)
Income tax from discontinued operation	(96)	116	-	-
Income tax reported in profit or loss	<u>(5,604)</u>	<u>(3,351)</u>	<u>(5,508)</u>	<u>(3,804)</u>

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 196 million (2020: Baht 390 million) (the Company only: Baht 245 million, 2020: Baht 332 million), on which deferred tax assets have not been recognised, as the Group believes that the deferred tax asset may not utilised.

The unused tax losses amounting to Baht 173 million (the Company only: Nil) will expire by 2023.

23. Earnings per share

Basic earnings 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 per share for the years ended 31 December 2021 and 2020 are as below.

	Consolidated financial statements					
	Continued operation		Discontinued operation		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for the year (Thousand Baht)	3,426	(27,021)	39,693	464	43,119	(26,557)
Weighted average number of ordinary shares (Thousand shares)	365,549	365,549	365,549	365,549	365,549	365,549
Earnings per share (Baht/share)	0.01	(0.07)	0.10	0.001	0.12	(0.07)

	Separate financial statements			
	Continued operation		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for the year (Thousand Baht)	19,814	(17,939)	19,814	(17,939)
Weighted average number of ordinary shares (Thousand shares)	365,549	365,549	365,549	365,549
Earnings per share (Baht/share)	0.05	(0.05)	0.05	(0.05)

24. Segment information

The Group is principally engaged in the publishing segment distribution books for edutainment. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

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 2021, the Group has revenues from two major customer in amount of Baht 26 million and Baht 13 million (2020: Baht 19 million and Baht 11 million derived from two major customers).

25. 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 2.3 million (2020: Baht 2.0 million) were recognised as expenses (the Company only: Baht 2.1 million, 2020: Baht 1.9 million).

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2021, the Company had capital commitments of approximately Baht 39 million (2020: Nil), relating to construction of rental commercial area.

26.2 Guarantees

As at 31 December 2021, there were outstanding bank guarantees of approximately Baht 0.1 million (2020: Baht 0.1 million) issued in the normal course of business of the Company.

27. Fair value hierarchy

As at 31 December 2021 and 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/ Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Financial asset measured at FVTPL				
Debt instrument	-	-	14,728	14,728
Financial asset measured at FVOCI				
Equity instruments	8,957	5,000	-	13,957

(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)

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

28. Financial instruments

28.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, investments and trade and other payables. 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 purchase 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 2021 and 2020 based on contractual undiscounted cash flows.

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total
Trade and other payables	-	52,474	-	-	52,474
Lease liabilities	-	11,725	82,466	27,912	122,103

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total
Trade and other payables	-	34,194	-	-	34,194
Lease liabilities	-	4,066	10,734	-	14,800

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total
Trade and other payables	-	39,266	-	-	39,266
Lease liabilities	-	11,725	82,466	27,912	122,103

(Unit: Thousand Baht)

Separate financial statements					
As at 31 December 2020					
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total
Trade and other payables	-	15,480	-	-	15,480
Lease liabilities	-	4,066	10,734	-	14,800

28.2 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.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- 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.
- The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

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

28.3 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
	Debt instruments
Balance as of 1 January 2021	11,709
Gain recognised in profit or loss	3,019
Balance as of 31 December 2021	14,728

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 0.2 million and Baht 0.2 million, respectively

29. 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 2021, the Group's debt-to-equity ratio was 0.49:1 (2020: 0.23:1) and the Company's debt-to-equity ratio was 0.47:1 (2020: 0.17:1).

30. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 9 February 2022.

Attachment 1

Profiles of Directors, Executives, Controlling Persons, the Person Taking the Highest Responsibility in Accounting and Finance, the Person Taking Direct Responsibility for Accounting Supervision, the Company Secretary
 (As of 31 December 2021)

Mr. Rashane Leerabandhu

Chairman and Authorized Director

Age: 62 years
 Date of Appointment as Director: 3 March 2020
 Number of Years in Office: 1 year 10 months
 Education: LL.M., University of London, London School of Economics and Political Sciences, UK
 LL.B., Thammasat University

Training Programs Organized by the Thai Institute of Directors: - None -

Other Training Courses: - None -

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

Apr 2021 - Present Chairman, Nation International Edutainment Plc.

Mar 2020 - Present Director, Nation International Edutainment Plc.

Other Listed Companies

- None -

Other Non-Listed Companies

Mar 2020 - Present Director, Nation Global Edutainment Co., Ltd.

Mar 2020 - Present Director, One World Media Co., Ltd.

Aug 2021 - Present Director, Concord Properties Group (Thailand) Co., Ltd.

Jan 2022 - Present Director, Thai Barrow Co., Ltd.

Dec 2020 - Mar 2021 Director, Landy Development Co., Ltd.

Mar 2020 - Dec 2020 Director, Street Eyeball Co., Ltd.

2011 - Apr 2021 Partner, DFDL (Thailand) Co., Ltd.

Mrs. Suparanan Tanviruch

Independent Director and Chairman of the Audit Committee

Age: 55 years

Date of Appointment as Director: 21 January 2019

Number of Years in Office: 2 years 11 months

Education: Master of Accounting, Thammasat University

Bachelor of Accounting, Thammasat University

Training Programs Organized by the Thai Institute of Directors:

Director Certificate Program (DCP) 216/2016

Directors Diploma Examination for Graduated Member

Other Training Courses:

TLCA Executive Development Program (EDP) 11/2014, Thai listed Companies Association

Academy of Business Creativity (ABC3), Academy of Business Creativity, Sri Pathum University

Executive Program in Urban Management (Serial No. 2/2017), Navamindradhiraj University

Top Executive Program (CMA 26/2018), Capital Market Academy

Attendance in Training Program in 2021:

Audit Committee Meeting for Listed Companies, The Securities and Exchange Commission

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

Jan 2019 - Present	Independent Director and Chairman of the Audit Committee, Nation International Edutainment Plc.
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Other Listed Companies

Mar 2019 - Present	Independent Director and Member of the Audit Committee, Major Development Plc.
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Apr 2019 - Present	Independent Director and Member of the Audit Committee, Stonehenge Inter Plc.
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2016 - Present	Advisor, BTS Group Holdings Plc.
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2016 - 2018	Chairman of Executive Board and Chief Executive Officer, Master Ad Plc.
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2008 - 2016	Chief Financial Officer, VGI Plc.
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Other Non-Listed Companies

2017-2018	Director, Thai Listed Companies Association
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Mr. Phanwarit Martmuang

Independent Director and Member of the Audit Committee

Age: 49 years

Date of Appointment as Director: 27 February 2018

Number of Years in Office: 3 years 10 months

Education: Bachelor of Arts, Bansomdej Chaopraya Rajabhat University

Training Programs Organized by the Thai Institute of Directors: - None -

Other Training Courses: - None -

Attendance in Training Program in 2021:

Audit Committee Meeting for Listed Companies, The Securities and Exchange Commission

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

Feb 2018 - Present	Independent Director and Member of the Audit Committee, Nation International Edutainment Plc.
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Other Listed Companies

May 2018 - Present	Director, Bangkok Dec-con Plc.
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Other Non-Listed Companies

Sep 2015 - Present	Creative Production & Design Director, Gold Star Group Co., Ltd.
2020 - Present	Director - Raavechoek Co., Ltd.
2017 - Present	Director - Prime Sign Co., Ltd.
2016 - Aug 2018	Creative Production & Design Director, Wrap Graphic Co., Ltd.
2015 - 2016	Advisor, Proud to Do Co., Ltd.

Mr. Stephen Joseph Camilleri

Independent Director and Member of the Audit Committee

Age: 58 years

Date of Appointment as Director: 27 February 2018

Number of Years in Office: 3 years 10 months

Education: Master of Education Degree (Specialising in Adult and Continuing Professional Education), University of New South Wales, Australia
Graduate Diploma in Adult Education, University of Technology, Australia

Training Programs Organized by the Thai Institute of Directors: - None -

Other Training Courses: - None -

Attendance in Training Program in 2021:

Audit Committee Meeting for Listed Companies, The Securities and Exchange Commission

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

Feb 2018 - Present Independent Director and Member of the Audit Committee,
Nation International Edutainment Plc.

Other Listed Companies

2016 - Jan 2018 Vice President - CEO Office, BTS Group Holdings Plc.

2011 - 2016 Vice President – HR, Big C Supercenter Plc.

Other Non-Listed Companies

- None -

Mr. Voraphot Chanyakomol

Chief Financial Officer, Director and Authorized Director

Age: 54 years

Date of Appointment as Director: 27 February 2018

Number of Years in Office: 3 years 10 months

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

Training Programs Organized by the Thai Institute of Directors:

Directors Certification Program (DCP) 228/2016

Other Training Courses: - None -

Attendance in Training Program in 2021: Thai Listed Companies Association
How to manage the company's finance and accounting and
communicate with stakeholders during COVID-19 crisis
Fraud and cyber security risk
Economic update for CFO

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

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

Other Listed Companies

Feb 2021 - Present Independent Director, Member of the Audit Committee,
Member of the Nomination and Remuneration Committee and
Member of the Corporate Governance Committee,
Noble Development Plc.

Jan 2020 - Present Independent Director and Chairman of the Audit Committee,
Master Ad Plc.

2015 – 2018 Executive Director and Chief Financial Officer, U City Plc.

Other Non-Listed Companies

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

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

Dec 2020 - Mar 2021 Director, Landy Development Co., Ltd.

Jan 2019 - Dec 2020 Director, Street Eyeball Co., Ltd.

Mr. Ian Craig Longden

Chief of Executive Officer

Age: 62 years

Education: A'Level, Ashville College, Harrogate, UK

Training Programs Organized by the Thai Institute of Directors:

Directors Certification Program (DCP) 182/2013

Other Training Courses: - None -

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

May 2021 - Present Chief Executive Officer, Nation International Edutainment Plc.

Other Listed Companies

2012 - 2015 Executive Director and Senior Executive Vice President -
Sub-Branch Management, Big C Supercenter Plc.

Other Non-Listed Companies

2016 - 2020 Managing Director, Yves Rocher (Thailand)

Mr. Surawoot Tankarnjananurak

Chief Commercial Officer

Age: 53 years

Education: MBA, DePaul University, USA

BBA (Marketing), Assumption University

Training Programs Organized by the Thai Institute of Directors: - None -

Other Training Courses: - None -

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

Oct 2021 - Present Chief Commercial Officer, Nation International Edutainment Plc.

Other Listed Companies

Jan 2018 - Sep 2021 Executive Vice President - Space, Range and Display (SRD),
Big C Supercenter Plc.

Other Non-Listed Companies

- None -

Ms. Thitagan Thana-Olarn

Senior Vice President - Business Development

Age: 58 years

Education: MA, Translation, Chulalongkorn University

MA, Journalism and Mass Communication, Thammasat University

BA, Arts, Chulalongkorn University

Training Programs Organized by the Thai Institute of Directors: - None -

Other Training Courses: - None -

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

2006 - Present Senior Vice President - Business Development,
Nation International Edutainment Plc.

Other Listed Companies

- None -

Other Non-Listed Companies

- None -

Ms. Natchanan Charoenpathrakiat

Assistant Vice President - Marketing and Sale

Age: 47 years

Education: BA Accounting, Srinakharinwirot University

Training Programs Organized by the Thai Institute of Directors: - None -

Other Training Courses: - None -

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

Nov 2018 - Present Assistant Vice President - Marketing and Sale,
Nation International Edutainment Plc.

Other Listed Companies

- None -

Other Non-Listed Companies

2001 - Nov 2018 Manager - Product and Marketing, TIGA Co., Ltd.

Mrs. Tientara Deshjamroen

Assistant Vice President - Accounting and Finance

Age: 43 years

Education : BA Accounting, Bangkok University

Training Programs Organized by the Thai Institute of Directors: - None -

Other Training Courses: - None -

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

Feb 2019 - Present Assistant Vice President - Accounting and Finance,
Nation International Edutainment Plc.

2018 - Jan 2019 Senior Manager - Accounting and Finance,
Nation International Edutainment Plc.

Other Listed Companies

- None -

Other Non-Listed Companies

Apr 2021 - Present Director, Nation Global Edutainment Co., Ltd.

Ms. Tamtawan Srilaemthong

Assistant Vice President - Company Secretary

Age: 36 years

Education : LL.B., Thammasat University

Training Programs Organized by the Thai Institute of Directors:

Company Secretary Program (CSP) Year 2014

Anti-Corruption: The Practical Guide (ACPG) Year 2015

Other Training Courses: - None -

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

Mar 2021 - Present	Assistant Vice President - Company Secretary, Nation International Edutainment Plc.
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Other Listed Companies

Jan 2021 - Feb 2021	Legal Manager, BTS Group Holdings Plc.
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Jul 2019 - Dec 2020	Senior Legal Manager, VGI Plc.
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Jul 2017 - Jun 2019	Corporate Legal Manager, VGI Plc.
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Oct 2012 - Jun 2017	Company Secretary Specialist, VGI Plc.
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Other Non-Listed Companies

- None -

Ms. Punapa Thongthaveephan

Manager - Company Secretary

Age: 41 years

Education: BA, Finance, Huachiew Chalermprakiet University

Training Programs Organized by the Thai Institute of Directors:

Fundamentals of Law for Corporate Secretaries Class 12/2014

Advance for Corporate Secretaries Class 2/2019

Other Training Courses: - None -

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

2012 - Present Manager - Company Secretary,
Nation International Edutainment Plc.

Other Listed Companies

- None -

Other Non-Listed Companies

- None -

Duties and Responsibilities of the Company Secretary

The Company Secretary has to perform its duties and responsibilities as specified in section 89/15 and section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), which effective on 31 August 2008 with due care, careful and loyalty as well as to comply with the laws, objectives, articles of association, resolution of the Board of Directors' meeting and the shareholders' meeting. The details of the duties and responsibilities of the Company Secretary can be considered in section 7.6.1 the Company Secretary.

Attachment 2

Details of the Directors of Subsidiaries as of 31 December 2021

Name	NINE	Subsidiaries	
		NGE	OWM
Mr. Rashane Leerabandhu	X, /, //	/	/
Mr. Voraphot Chanyakomol	/, //, V	/	/
Mrs. Suparanan Tanviruch	/	-	-
Mr. Phanwarit Martmuang	/	-	-
Mr. Stephen Joseph Camilleri	/	-	-
Mr. Ian Craig Longden	V	-	-
Mr. Surawoot Tankarnjananurak	V	-	-
Ms. Thitagan Thana-Olarn	V	-	-
Ms. Natchanan Charoenpathrakiat	V	-	-
Mrs. Tientara Deshjamroen	V	-	-
Ms. Tamtawan Srilaemthong	V	-	-

Note ^{1.} X = Chairman, / = Director, // = Executive Director, V = Executive

^{2.} One World Media Co., Ltd ceased its commercial operations since December 2019.

Attachment 3

Profiles of Head of Internal Audit

Mr. Yutthapol Charoenrat

Senior Manager – Internal Audit

Age: 45 years

Education: Master of Business Administration in Finance and Banking,
 Sripatum University
 Bachelor of Business Administration in Finance and Banking,
 Sripatum University

Training Programs Organized by the Thai Institute of Directors: - None -

Other Training Courses: Integrated Internal Audit for Sale and Account Receivable
 System, Federation of Accounting Professions under the
 Royal Patronage of His Majesty the King

Attendance in Training Program in 2021: - None -

% of Shareholding in the Company (Included Spouse and Minor Children): - None -

Family Relationship Among Directors and Executives: - None -

Title in the Company

2018 - Present Senior Manager - Internal Audit,
 Nation International Edutainment Plc.

Other Listed Companies

2013 - 2018 Manager - Internal Audit,
 Ubon Bio Ethanol Plc.

Other Non-Listed Companies

- None -

Assets for Business Operations and Details about Asset Valuation

Assets for Business Operations

1. Equipment and Property

As at 31 December 2021, the Group had the main assets for business operations at the total net book value of THB 50.03 million as follows:

Type of Assets	Ownership	Net Book Value (THB million)	Obligation
Leasehold improvements and equipment	Owner	41.29	No
Furniture, fixture and office equipment	Owner	8.64	No
Vehicles	Owner	0.09	No
Assets under consideration and installation	Owner	0.01	No
Total		50.03	


2. Intangible Asset

As at 31 December, 2021, the Group had intangible assets for its business operation, i.e. copyrights for production and distribution of printed products and computer program, as follows

Type of Asset	Net Book Value (THB million)
Book copyrights	4.10
Computer program and software licensing fees	5.65
Trademark	-
Software under development	0.69
Total	10.43

Trademarks and Service Marks

Trademark	Product / Service Details	Protection period
	Book, magazine and journal	10 years
	1) Digital publication and online publication 2) Book 3) Data accessible service through internet network	10 years
	1) Digital publication and online publication 2) Book	10 years
	Book	10 years
	1) Digital publication and online publication 2) Book 3) Service engaging in sale and distribution of book	10 years
	1) Retail management and online commerce 2) Data accessible service through internet network and online chat room service for messaging and feedback	10 years
	1) Digital publication and online publication 2) Book	10 years
	1) Digital publication and online publication 2) Book	10 years
	1) Digital publication and online publication 2) Book	10 years
	1) Digital publication and online publication 2) Book	10 years

Trademark	Product / Service Details	Protection period
	<ol style="list-style-type: none"> 1) Downloadable mobile application, smart card, e-loyalty card, digital publication and online publication 2) Stationery items – pencils, pens, and notebooks 3) Beverage containers 4) Attires – uniforms. polo shirts, t-shirts, shirts, trousers, shorts, caps, shoes, crew uniforms, and round-neck t-shirts with short sleeve and long sleeve 5) Frozen food made from meat, frozen food contained meat, ready-to-eat/ready-to-cook meals contained meat in chilled and frozen forms, instant food contained meat, instant food contained vegetable, frozen food contained cooked vegetable, and ready-to-eat vegetarian meal 6) Beverages – coffee, cocoa drink, tea, milk tea, desserts contained flour, desserts contained sugar, ready-to-eat meal contained rice, vegetable and meat, onigiri (Japanese rice roll), wanton, dumpling, steamed bun, dim sum, and sandwich 7) Water, carbonated drink, juice, juice from fruit and vegetable, and vegetable drink 8) Retail and wholesale operations via convenient store, and engaging in retail management and online service 9) Commercial rental space 10) Data accessible through the internet network or website 	10 years

3. Material Contract of the Group

The Group has entered into material contract, i.e., License to Manage and Operate Merchandising Space Agreement with VGI Public Company Limited (“VGI”), under which the Company is granted the right to manage and operate the merchandising spaces for the purpose of lease out and for the management and operation of the Company’s owned shops on 3 BTS stations, namely Saint Louis station, Victory Monument station and Ploen Chit station. The term of such licensing agreement is approximately 8 years, expiring on 4 December 2029. Under such, the Company agrees to pay VGI the consideration in form of fixed fee and revenue sharing at the rate as mutually agreed.

4. Investment Policy

The Company has policy to invest in businesses that align with or enhance the Company's business strategy and goal, or may sometimes unrelated other businesses, by mainly considering risks, returns on and other benefits from investment, as well its financial liquidity, economic situations, external factors of related businesses thoroughly.

Investment projects by the Group must be considered and approved by the Board of Directors' or shareholders' meetings based on the Company's determined limit of authority and other relevant regulations. Further details of oversights of the subsidiaries' and associated companies' operations can be considered in section 8 Key Performance in Corporate Governance.

As at 31 December 2021, the Company recorded investment in subsidiaries based on cost method as described below.

Company Name	Paid-up Capital (THB Million)	% of Investment	Cost Value (THB Million)
Nation Global Edutainment Co., Ltd.	200	99.99	163.41
One World Media Co., Ltd.	60	99.99	60.00
Total			223.41

5. Trade Receivable Management Policy

As to printing distribution, the Group maintains normal practices of average credit terms between 15-90 days, allowance for doubtful accounts via aging analysis and relevant allowance policies including (1) 50% for > 180 day-past due accounts, (2) 100% for > 365 day-past due accounts, and (3) potential doubtful trade accounts through analysis and forecast of repayment. This allows the Group to forecast and set interim adjustments of allowance for doubtful accounts and write-off of bad debt accounts. Main trade accounts of the Group are mainly dealers and chained stores with long-period business relationship and frequent sale records. For new customers, the Company requires dealers to place trade deposits before proceeding their first orders.

6. Inventory Management Policy

The Group has policy of allowance for doubtful accounts for deteriorated, obsolete stocks which included inventory aging of >12 months, >24 months and >36 months with allowance value of 50%, 75% and 98%, respectively.

Policy on Corporate Governance and Business Ethics

Following documents are disclosed on the Company's website at www.nine.co.th.

1. Corporate Governance Policy
2. Anti-corruption Policy
3. Code of Conduct
4. Charter of the Board of Directors
5. Charter of the Audit Committee

Audit Committee's Report
For the Year 2021

Attn. Shareholders

Nation International Edutainment Public Company Limited

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

During 2021, the Audit Committee arranged five meetings and one discussion forum with auditors and without management presenting at the forum. None of the Audit Committee members absented from such meetings and forum. Each meeting took a few hours and had the auditors, head of internal audit and senior executives participated in so that the Audit Committee can perform its duties pursuant to the Audit Committee Charter. From performing the duties, the Audit Committee had opinions as follows:

- **Financial Statements Preparation:** The Audit Committee reviewed quarterly and annual financial statements with the management team and the auditors to ensure that the Company's and its subsidiaries' financial statements had been prepared 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 Audit Committee reviewed the information disclosure and activities in relation to the related party transactions between the Company, its subsidiaries and its associated companies, as well as connected transactions, in order to ensure the Company had complied with the business practices and regulations as required by the Securities and Exchange Commission (the “**SEC Office**”) and the Stock Exchange of Thailand (the “**SET**”).
- **Review of the Internal Control System:** The Board of Directors' meeting No. 1/2022 on 9 February 2022, where all members of the Audit Committee attended, acknowledged the results of the assessment of the sufficiency of internal control system based on the SEC Office internal control assessment prepared by the management team and reviewed by the Audit Committee. The Board of Directors agreed with the Audit Committee that “the internal control system 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 subsidiaries' assets from misuse or unauthorized use by the directors, the executives or employees”.

In addition, the Audit Committee reviewed the correctness of the Company's reference documents and the self-assessment of anti-corruption measures under the Thailand's Private Sector Collective Action Coalition Against Corruption or CAC to ensure that the Company maintains policies and practices required by the CAC. In this respect, the Company has received the recertification of membership of the CAC for two consecutive terms on 31 March 2021, reflecting its intention and commitment against all forms of corruption through transparent management in accordance with corporate governance in order to build confidence among all stakeholders.

- **Oversight of Internal Audit Function:** The Audit Committee considered organization structure of Internal Audit Department to ensure its independent operation. The Audit Committee considered the 2021 internal audit plan, with due concern for possible risk factors that might adversely affect the Company's operations, and made suggestions and provided guidance on adjusting the plan to be compatible the situation. In addition, the Audit Committee resolutely pursued the correction on significant issues from internal audit report with the management team. In 2021, the auditors had no material concern on the Company's internal control system.
- **Risk Management:** The Audit Committee considered that the Company's risk management system is appropriate and sufficient. The management team had monitored changes and associated risk factors closely and had reported the situation including plan to the Audit Committee regularly.
- **Compliance with Securities and Exchange Laws, the SET's Regulations, as well as Any Other Laws in relation to the Company's Business:** In February 2022, the Audit Committee arranged a meeting with Legal Department and the Company Secretary Office to review the Company's compliance at which it was determined that the Company had appropriately complied with securities and stock exchange laws, and the regulations of the SET, as well as any other laws in relation to the Company's business.
- **Auditors:** The Audit Committee considered, selected and nominated to appoint the auditors, including determined audit fee for the year 2021, and proposed to the Board of Directors to subsequently propose to the 2021 Annual General Meeting of Shareholders of which the Audit Committee has considered the performance, independency and appropriation of audit fee and has deemed to propose to appoint the auditors from EY Office Limited, namely Mr. Pornanan Kitjanawanchai Certified Public Accountant Registration No. 7792, Mr. Supachai Phanyawattano Certified Public Accountant Registration No. 3930, or Mr. Natthawut Santipet Certified Public Accountant Registration No. 5730, to act as the Company's and subsidiaries' auditor for the year 2021 with the audit fee of THB 1,430,000.

- **Related Party Transactions:** The Audit Committee considered the related party transactions between the Company and any company in the group that might cause conflict of interest, by considering the necessity of the entry into transaction, the transaction price and the terms, which shall be normal course of business and at market comparable price with the third party, if possible. The Audit Committee oversaw the information disclosure of the connected transactions according to the requirements of the SEC Office and the SET as well as the accounting standard as required by the Federation of Accounting Professions. The Audit Committee viewed that such the transactions were accurate general business transactions that the Company has implemented under the Corporate Governance Policy.

From performing the duties pursuant to the Audit Committee Charter, the Audit Committee viewed that the Company has placed the importance on 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 and efficient internal control system of the Company. Connected transactions that might have conflict 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 laws, as well as appropriate rules and regulations of governmental agencies. The financial statements for the fiscal year ending 31 December 2021 has disclosed sufficient information and has contained no problematic situations, or transactions that could materially affect the Company's financial statements, which has been prepared 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 Fiscal Year 2021

Nation International Edutainment Public Company Limited

The Board of Directors is aware of its duties and responsibilities as a director of a listed company to regulate and ensure transparency, accuracy and completeness of the financial reporting. The tasks are to provide appropriate and sufficient materials and information to protect the Company's assets and to prevent frauds and abnormal transactions, to ensure that the connected transactions are normal course of commercial transactions entered into in compliance with the generally accepted accounting standards and implementation with appropriate accounting policies as well as consideration of the reasonableness and benefit and to carefully prepare the consolidated financial statements of the Company and its subsidiaries and the 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 appoints the Audit Committee, whose members consist of independent directors with qualifications required by the Stock Exchange of Thailand's regulations and the Capital Market Supervisory Board's notifications, to be responsible for reviewing the sufficient and accurate reports on the Company's financial and business operations and overseeing the disclosure of connected transactions and those with the conflict of interest in transparent, accurate and completeness manner, as well as the adequacy of risk management, internal control, internal audit, corporate governance and compliance of the Company, in which the Audit Committee has reported those matters to the Board of Directors in the Audit Committee's report shown in this annual report already.

The Board of Directors is of the opinion that the overall of the Company's internal control system is in satisfactory degree and help enhance with a reasonable confidence to the reliability of the separate and consolidated financial statements of the Company and its subsidiaries for the fiscal year ended 31 December 2021. The Company's auditors are of the opinion that the financial statements representing the financial position, operating results, and cash flow are presented fairly, in all material respects in accordance with Thai Financial Reporting Standards (TFRSs), and in line with the use of appropriate accounting policies and practices regularly, transparent and adequate disclosure in accordance with the applicable laws and relevant regulations.



Mr. Voraphot Chanyakomol
Chief Financial Officer

**Nation International Edutainment
Public Company Limited**

333 Lao Peng Nguan 1 Tower, 24th Floor, Soi Choeiphuang,
Vibhavadi-Rangsit Road, Bangkok 10900
Tel : 02 091 5900

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