

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

Interim financial statements
for the three-month period ended
31 March 2014

and

Independent auditor's report
on review of interim financial information



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Nation International Edutainment Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Nation International Edutainment Public Company Limited and its subsidiaries, and of Nation International Edutainment Public Company Limited, respectively, as at 31 March 2014; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2014; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Patamavan Vadhanakul)
Certified Public Accountant
Registration No. 9832

KPMG Phoomchai Audit Ltd.
Bangkok
7 May 2014

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

| | | Consolidated | | Separate | |
|---|-------------|-----------------------------|----------------|-----------------------------|----------------|
| | | financial statements | | financial statements | |
| | | 31 March | 31 December | 31 March | 31 December |
| Assets | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | (Unaudited) | | (Unaudited) | |
| | | <i>(in thousand Baht)</i> | | | |
| <i>Current assets</i> | | | | | |
| Cash and cash equivalents | | 228,033 | 305,873 | 223,015 | 303,185 |
| Current investments | | 120,320 | 20,320 | 120,000 | 20,000 |
| Trade accounts receivable | 4 | 154,032 | 162,348 | 87,746 | 96,584 |
| Accrued income | | 11,244 | 13,639 | 7,475 | 10,300 |
| Other receivables from related parties | 3 | 17,004 | 16,673 | 32,699 | 45,475 |
| Short-term loan to related party | 3 | - | - | 3,000 | 3,000 |
| Inventories | | 148,011 | 143,856 | 43,068 | 40,127 |
| Deposit guarantee for licencing auction | | - | 14,000 | - | - |
| Other current assets | | 13,117 | 18,867 | 6,314 | 10,668 |
| Total current assets | | 691,761 | 695,576 | 523,317 | 529,339 |
| <i>Non-current assets</i> | | | | | |
| Investments in subsidiaries | 5 | - | - | 26,964 | 26,964 |
| Investment in jointly-controlled entity | 6 | - | - | 25,046 | 25,046 |
| Equipment | 7 | 4,977 | 5,111 | 3,453 | 3,356 |
| Intangible assets | 8 | 38,791 | 41,926 | 16,738 | 19,104 |
| Deferred tax assets | 9 | 15,832 | 15,406 | 6,073 | 5,907 |
| Other non-current assets | | 6,033 | 3,286 | 3,896 | 2,586 |
| Total non-current assets | | 65,633 | 65,729 | 82,170 | 82,963 |
| Total assets | | 757,394 | 761,305 | 605,487 | 612,302 |

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

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

| | | Consolidated | | Separate | |
|---|-------------|---------------------------------|---------------------|---------------------------------|---------------------|
| | | financial statements | | financial statements | |
| | | 31 March 2014 (Unaudited) | 31 December 2013 | 31 March 2014 (Unaudited) | 31 December 2013 |
| <i>(in thousand Baht)</i> | | | | | |
| Liabilities and equity | <i>Note</i> | | | | |
| Current liabilities | | | | | |
| Bank overdrafts | | 9,978 | 9,773 | - | - |
| Trade accounts payable | | 162,914 | 168,134 | 88,646 | 95,156 |
| Other payables to related parties | 3 | 12,595 | 13,780 | 10,601 | 12,563 |
| Accrued expenses | 3 | 21,021 | 20,805 | 5,128 | 5,038 |
| Income tax payable | | 1,840 | 1,480 | 1,253 | 1,198 |
| Other current liabilities | | 10,835 | 11,486 | 7,889 | 8,722 |
| Total current liabilities | | 219,183 | 225,458 | 113,517 | 122,677 |
| Non-current liabilities | | | | | |
| Employee benefit obligations | 10 | 6,041 | 5,694 | 3,859 | 3,643 |
| Other non-current liabilities | | 512 | 514 | 95 | 95 |
| Total non-current liabilities | | 6,553 | 6,208 | 3,954 | 3,738 |
| Total liabilities | | 225,736 | 231,666 | 117,471 | 126,415 |
| Equity | | | | | |
| Share capital | | | | | |
| Authorised share capital | | 259,250 | 259,250 | 259,250 | 259,250 |
| Issued and paid-up share capital | | 170,048 | 170,048 | 170,048 | 170,048 |
| Premium on ordinary shares | | 272,706 | 272,706 | 272,706 | 272,706 |
| Warrants | 11 | 1,112 | 722 | 1,112 | 722 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 12 | 9,700 | 9,500 | 9,700 | 9,500 |
| Unappropriated | | 77,796 | 76,331 | 34,450 | 32,911 |
| Equity attributable to owners of the Company | | 531,362 | 529,307 | 488,016 | 485,887 |
| Non-controlling interests | | 296 | 332 | - | - |
| Total equity | | 531,658 | 529,639 | 488,016 | 485,887 |
| Total liabilities and equity | | 757,394 | 761,305 | 605,487 | 612,302 |

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

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

| | | Consolidated | | Separate | |
|---|-------------|-----------------------------|----------------|-----------------------------|----------------|
| | | financial statements | | financial statements | |
| | | Three month period ended | | Three month period ended | |
| | | 31 March | | 31 March | |
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| <i>Income</i> | 3 | | | | |
| Revenue from sale of goods | | 34,708 | 72,606 | 11,408 | 26,468 |
| Revenue from rendering of services | | 29,136 | 25,729 | 22,675 | 22,638 |
| Interest income | | 3,108 | 722 | 2,088 | 52 |
| Other income | | 1,943 | 1,271 | 2,488 | 1,761 |
| Total income | | 68,895 | 100,328 | 38,659 | 50,919 |
| <i>Expenses</i> | | | | | |
| Cost of sale of goods and rendering of services | 3 | 47,879 | 64,426 | 23,970 | 27,085 |
| Selling expenses | 3 | 7,546 | 10,507 | 5,991 | 7,478 |
| Administrative expenses | 3 | 9,309 | 9,759 | 5,534 | 5,644 |
| Management benefit expenses | | 1,740 | 1,684 | 990 | 916 |
| Finance costs | | 269 | 472 | 144 | 129 |
| Total expenses | | 66,743 | 86,848 | 36,629 | 41,252 |
| Profit before income tax expense | | 2,152 | 13,480 | 2,030 | 9,667 |
| Income tax expense | | (523) | (3,581) | (291) | (1,941) |
| Profit for the period | | 1,629 | 9,899 | 1,739 | 7,726 |
| Other comprehensive income | | | | | |
| Defined benefit plan actuarial losses | 10 | - | (2,051) | - | (1,926) |
| Income tax on other comprehensive income | 9 | - | 410 | - | 385 |
| Other comprehensive income for the period, net of income tax | | - | (1,641) | - | (1,541) |
| Total comprehensive income for the period | | 1,629 | 8,258 | 1,739 | 6,185 |

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

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

| | Consolidated | | Separate | |
|---|-----------------------------|--------------|-----------------------------|--------------|
| | financial statements | | financial statements | |
| | Three month period ended | | Three month period ended | |
| | 31 March | | 31 March | |
| <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Profit attributable to: | | | | |
| Owners of the Company | 1,665 | 9,899 | 1,739 | 7,726 |
| Non-controlling interests | (36) | - | - | - |
| Profit for the period | 1,629 | 9,899 | 1,739 | 7,726 |
| Total comprehensive income attributable to | | | | |
| Owners of the Company | 1,665 | 8,258 | 1,739 | 6,185 |
| Non-controlling interests | (36) | - | - | - |
| Total comprehensive income for the period | 1,629 | 8,258 | 1,739 | 6,185 |
| Earnings per share <i>(in Baht)</i> | <i>14</i> | | | |
| Basic earnings per share | 0.01 | 0.12 | 0.01 | 0.09 |

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

| | Consolidated financial statements | | | | | | | | |
|--|-----------------------------------|--|------------------|--------------|---------------------------|---------------|---|------------------------------|-----------------|
| | Note | Issued and paid-up share capital | Share premium | Warrants | Retained earnings | | Equity attributable to owners of the Company | Non-controlling interests | Total equity |
| Legal reserve | | | | | Unappropriated | | | | |
| | | | | | <i>(in thousand Baht)</i> | | | | |
| Three month period ended 31 March 2013 | | | | | | | | | |
| Balance at 1 January 2013 | | 85,000 | 18,352 | - | 8,500 | 71,207 | 183,059 | 1 | 183,060 |
| Comprehensive income for the period | | | | | | | | | |
| Profit or loss | | - | - | - | - | 9,899 | 9,899 | - | 9,899 |
| Other comprehensive income | | - | - | - | - | (1,641) | (1,641) | - | (1,641) |
| Total comprehensive income for the period | | - | - | - | - | 8,258 | 8,258 | - | 8,258 |
| Balance at 31 March 2013 | | 85,000 | 18,352 | - | 8,500 | 79,465 | 191,317 | 1 | 191,318 |
| Three month period ended 31 March 2014 | | | | | | | | | |
| Balance at 1 January 2014 | | 170,048 | 272,706 | 722 | 9,500 | 76,331 | 529,307 | 332 | 529,639 |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | | |
| Share-based payment transactions | 11 | - | - | 390 | - | - | 390 | - | 390 |
| <i>Total contributions by and distributions to owners of the Company</i> | | - | - | 390 | - | - | 390 | - | 390 |
| Total transactions with owners, recorded directly in equity | | - | - | 390 | - | - | 390 | - | 390 |
| Comprehensive income for the period | | | | | | | | | |
| Profit or loss | | - | - | - | - | 1,665 | 1,665 | (36) | 1,629 |
| Total comprehensive income for the period | | - | - | - | - | 1,665 | 1,665 | (36) | 1,629 |
| Transfer to legal reserve | 12 | - | - | - | 200 | (200) | - | - | - |
| Balance at 31 March 2014 | | 170,048 | 272,706 | 1,112 | 9,700 | 77,796 | 531,362 | 296 | 531,658 |

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

| | Note | Separate financial statements | | | | | Total Equity |
|--|------|----------------------------------|----------------|--------------|---------------|-------------------------------------|----------------|
| | | Issued and paid-up share capital | Share premium | Warrants | Legal reserve | Retained earnings Unappropriated | |
| <i>(in thousand Baht)</i> | | | | | | | |
| Three month period ended 31 March 2013 | | | | | | | |
| Balance at 1 January 2013 | | 85,000 | 18,352 | - | 8,500 | 28,310 | 140,162 |
| Comprehensive income for the period | | | | | | | |
| Profit or loss | | - | - | - | - | 7,726 | 7,726 |
| Other comprehensive income | | - | - | - | - | (1,541) | (1,541) |
| Total comprehensive income for the period | | - | - | - | - | 6,185 | 6,185 |
| Balance at 31 March 2013 | | 85,000 | 18,352 | - | 8,500 | 34,495 | 146,347 |
| Three month period ended 31 March 2014 | | | | | | | |
| Balance at 1 January 2014 | | 170,048 | 272,706 | 722 | 9,500 | 32,911 | 485,887 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | |
| Share-based payment transactions | 11 | - | - | 390 | - | - | 390 |
| <i>Total contributions by and distributions to owners of the Company</i> | | - | - | 390 | - | - | 390 |
| Total transactions with owners, recorded directly in equity | | - | - | 390 | - | - | 390 |
| Comprehensive income for the period | | | | | | | |
| Profit or loss | | - | - | - | - | 1,739 | 1,739 |
| Total comprehensive income for the period | | - | - | - | - | 1,739 | 1,739 |
| Transfer to legal reserve | 12 | - | - | - | 200 | (200) | - |
| Balance at 31 March 2014 | | 170,048 | 272,706 | 1,112 | 9,700 | 34,450 | 488,016 |

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

| | Consolidated | | Separate | |
|---|--------------------------------------|---------------------|--------------------------------------|---------------------|
| | financial statements | | financial statements | |
| | Three month period ended 31 March | | Three month period ended 31 March | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit for the period | 1,629 | 9,899 | 1,739 | 7,726 |
| <i>Adjustments for</i> | | | | |
| Depreciation | 633 | 499 | 398 | 267 |
| Amortisation of intangible assets | 5,755 | 7,899 | 2,553 | 2,888 |
| Interest income | (3,108) | (722) | (2,088) | (52) |
| Finance costs | 269 | 472 | 144 | 129 |
| Bad and doubtful debts expense | 388 | 491 | 12 | - |
| (Reversal) loss on decline in value of inventories | (2,747) | (1,419) | (474) | 188 |
| Employee benefit obligations | 232 | 220 | 189 | 181 |
| Share-based payment transactions | 390 | - | 390 | - |
| Income tax expense | 523 | 3,581 | 291 | 1,941 |
| | <u>3,964</u> | <u>20,920</u> | <u>3,154</u> | <u>13,268</u> |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | 7,928 | (13,058) | 8,826 | 399 |
| Accrued income | 2,395 | (12,054) | 2,825 | (9,491) |
| Other receivables from related parties | (275) | 282 | 12,776 | (6,194) |
| Inventories | (1,408) | (8,642) | (2,467) | (3,422) |
| Other current assets | 5,255 | 232 | 3,859 | 815 |
| Other non-current assets | (2,747) | (268) | (1,310) | (267) |
| Trade accounts payable | (5,220) | 11,887 | (6,510) | 6,575 |
| Other payables to related parties | (1,185) | (190) | (1,972) | (612) |
| Accrued expenses | 216 | 5,683 | 90 | 2,206 |
| Other current liabilities | (651) | 3,701 | (833) | (174) |
| Other non-current liabilities | (2) | 49 | - | - |
| Cash generated from operating activities | <u>8,270</u> | <u>8,542</u> | <u>18,438</u> | <u>3,103</u> |
| Income tax paid | <u>(589)</u> | <u>(350)</u> | <u>(402)</u> | <u>(290)</u> |
| Net cash from operating activities | <u>7,681</u> | <u>8,192</u> | <u>18,036</u> | <u>2,813</u> |

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

| | Consolidated | | Separate | |
|--|-----------------------------|----------------|-----------------------------|----------------|
| | financial statements | | financial statements | |
| | Three month period ended | | Three month period ended | |
| | 31 March | | 31 March | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Cash flows from investing activities</i> | | | | |
| Interest received | 3,108 | 722 | 2,088 | 52 |
| Current investments | (100,000) | - | (100,000) | - |
| Cash inflow on refund deposit guarantee for licencing auction | 14,000 | - | - | - |
| Purchase of equipment | (4) | (45) | - | (45) |
| Purchase of intangible assets | (2,620) | (6,318) | (187) | (2,410) |
| Net cash used in investing activities | (85,516) | (5,641) | (98,099) | (2,403) |
| <i>Cash flows from financing activities</i> | | | | |
| Interest paid | (210) | (424) | (107) | (100) |
| Bank overdrafts | 205 | (14) | - | 206 |
| Repayment of long-term loan from financial institution | - | (1,324) | - | - |
| Net cash from (used in) financing activities | (5) | (1,762) | (107) | 106 |
| Net increase (decrease) in cash and cash equivalents | (77,840) | 789 | (80,170) | 516 |
| Cash and cash equivalents at 1 January | 305,873 | 6,799 | 303,185 | 4,568 |
| Cash and cash equivalents at 31 March | 228,033 | 7,588 | 223,015 | 5,084 |
| <i>Non-cash transaction</i> | | | | |
| Purchase of equipment | 495 | - | 495 | - |

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

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Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issued by the Board of Directors on 7 May 2014.

1 General information

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

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

The parent company during the financial period was Nation Multimedia Group Public Company Limited (83.76% shareholding), which was incorporated in Thailand.

The principal businesses of the Company are importing, publishing and distributing local and foreign publications, production of TV programs and providing advertisements through TV media, digital media and character management and education services.

Details of the Company’s subsidiaries and jointly-controlled entity as at 31 March 2014 and 31 December 2013 were as follows:

| Name of the entities | Type of business | Country of incorporation | Ownership interest (%) | |
|-------------------------------------|---|--------------------------|------------------------|------------------|
| | | | 31 March 2014 | 31 December 2013 |
| <i>Subsidiaries</i> | | | | |
| Nation Edutainment Co., Ltd. | Publishing | Thailand | 99.99 | 99.99 |
| Nation Kids Co., Ltd. | Production of TV programs and providing advertisements through TV media | Thailand | 99.99 | 99.99 |
| Nine Be Bright Co., Ltd. | Education services | Thailand | 59.99 | 59.99 |
| <i>Jointly-controlled entity</i> | | | | |
| Nation Egmont Edutainment Co., Ltd. | Publishing | Thailand | 49.99 | 49.99 |

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2012) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2013. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2013.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2013 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2014. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

(b) Functional and presentation currency

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

(c) Use of estimates and judgements

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2013.

3 Related parties

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

Relationships with subsidiaries, jointly-controlled entity and other related parties were as follows:

| Name of entities | Country of incorporation /nationality | Nature of relationships |
|--|--|---|
| Nation Multimedia Group Public Company Limited | Thailand | Parent, 83.76% shareholding of the Company, some common directors |
| Nation Edutainment Co., Ltd. | Thailand | Subsidiary, 99.99% shareholding, some common directors |
| Nation Kids Co., Ltd. | Thailand | Subsidiary, 99.99% shareholding, some common directors |

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

| Name of entities | Country of incorporation /nationality | Nature of relationships |
|--|--|---|
| Nine Be Bright Co., Ltd. | Thailand | Subsidiary, 59.99% shareholding, some common directors |
| Nation Egmont Edutainment Co., Ltd. | Thailand | Jointly-controlled entity, 49.99% shareholding, some common directors |
| Nation Broadcasting Corporation Public Company Limited | Thailand | 71.30% shareholding by parent, some common directors |
| Nation News Network Co., Ltd. | Thailand | 99.99% shareholding by parent, some common directors |
| NML Co., Ltd. | Thailand | 99.99% shareholding by parent, some common directors |
| Kom Chad Luek Media Co., Ltd. | Thailand | 99.99% shareholding by parent, some common directors |
| Krungthep Turakij Media Co., Ltd. | Thailand | 99.99% shareholding by parent, some common directors |
| Nation U Co., Ltd. | Thailand | 90.00% shareholding by parent, some common directors |
| WPS (Thailand) Co., Ltd. | Thailand | 84.50% shareholding by parent, some common directors |
| Nation University | Thailand | University, a license holding by Nation U Co., Ltd. |
| Yomiuri-Nation Information Service Limited | Thailand | 45.00% shareholding by parent, some common directors |
| Egmont International Holding A/S | Denmark | Shareholder of Nation Egmont Edutainment Co., Ltd., 49.00% shareholding |

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

| Transactions | Pricing policies |
|--|---|
| Sales of goods and rendering of services | General market price |
| Interest income on loan | Approximates loan rate of financial institution |
| Other income | Negotiable rate |
| Cost of sales of goods and rendering of services | Negotiable rate which approximates market price |
| Selling and administrative expenses | Negotiable rate |

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

Significant transactions for the three-month periods ended 31 March 2014 and 2013 with related parties were as follows:

| <i>Three-month period ended 31 March</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|--------|--|--------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | | | | |
| Sales of goods and rendering of services | 1,154 | 1,027 | 1,110 | 674 |
| Cost of sales of goods and rendering of services | 4,377 | 4,286 | 2,905 | 3,692 |
| Selling and administrative expenses | 1,404 | 1,602 | 1,211 | 1,453 |
| Subsidiaries | | | | |
| Sales of goods and rendering of services | - | - | 7,438 | 6 |
| Interest income on loan | - | - | 51 | 52 |
| Other income | - | - | 239 | 239 |
| Jointly-controlled entity | | | | |
| Sales of goods and rendering of services | 10,224 | 18,624 | 1,297 | 11 |
| Cost of sales of goods and rendering of services | 44 | 2,376 | 88 | 4,752 |
| Interest income on loan | 1,062 | 722 | - | - |
| Other income | 532 | 509 | 1,064 | 1,018 |
| Selling and administrative expenses | 599 | 784 | 419 | 597 |
| Other related parties | | | | |
| Sales of goods and rendering of services | 2,822 | 1,715 | 2,735 | 1,715 |
| Cost of sales of goods and rendering of services | 23,203 | 34,741 | 14,185 | 13,711 |
| Selling and administrative expenses | 927 | 1,863 | 358 | 1,091 |

Balances as at 31 March 2014 and 31 December 2013 with related parties were as follows:

| <i>Trade accounts receivable from related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | | | | |
| Nation Multimedia Group Public Company Limited | 1,199 | 1,210 | 1,199 | 1,210 |
| Subsidiary | | | | |
| Nation Kids Co., Ltd. | - | - | 25,156 | 26,089 |
| Jointly-controlled entity | | | | |
| Nation Egmont Edutainment Co., Ltd. | 82,286 | 78,405 | 2,950 | 1,652 |

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

| <i>Trade accounts receivable from related parties</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------|--------------------------------------|------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Other related parties | | | | |
| Krungthep Turakij Media Co., Ltd. | 30,439 | 20,638 | 30,395 | 20,631 |
| Kom Chad Luek Media Co., Ltd. | 1,569 | 1,846 | 1,483 | 1,843 |
| Yomiuri-Nation Information Service Limited | 182 | 213 | 182 | 213 |
| Nation Broadcasting Corporation Public Company Limited | 33 | 264 | 33 | 264 |
| Others | 500 | 387 | 433 | 357 |
| | 116,208 | 102,963 | 61,831 | 52,259 |
| <i>Less</i> allowance for doubtful accounts | (67) | (67) | (67) | (67) |
| Net | 116,141 | 102,896 | 61,764 | 52,192 |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Bad and doubtful debts expense for the three-month period ended 31 March | - | - | - | - |
| <i>Other receivables from related parties</i> | | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | | | | |
| Nation Multimedia Group Public Company Limited | 470 | 599 | 206 | 485 |
| Subsidiaries | | | | |
| Nation Edutainment Co., Ltd. | - | - | 2,479 | 1,958 |
| Nation Kids Co., Ltd. | - | - | 72 | 14,000 |
| Jointly-controlled entity | | | | |
| Nation Egmont Edutainment Co., Ltd. | 13,933 | 13,279 | 27,342 | 26,239 |
| Other related parties | | | | |
| Nation University | 1,942 | 1,942 | 1,942 | 1,942 |
| Krungthep Turakij Media Co., Ltd. | 364 | 332 | 364 | 331 |
| Nation News Network Co., Ltd. | 177 | 132 | 177 | 132 |
| Nation Broadcasting Corporation Public Company Limited | 16 | 50 | 15 | 49 |
| Kom Chad Luek Media Co., Ltd. | - | 156 | - | 156 |
| Others | 102 | 183 | 102 | 183 |
| | 17,004 | 16,673 | 32,699 | 45,475 |
| <i>Less</i> allowance for doubtful accounts | - | - | - | - |
| Net | 17,004 | 16,673 | 32,699 | 45,475 |

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

| <i>Other receivables from related parties</i> | Consolidated financial statements | | Separate financial statements | | |
|--|--|--|--------------------------------------|--------------------------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 | |
| | <i>(in thousand Baht)</i> | | | | |
| Bad and doubtful debts expense for the three-month period ended 31 March | - | - | - | - | |
| | <hr/> | <hr/> | <hr/> | <hr/> | |
| <i>Short-term loan to related party</i> | Interest rate | Consolidated financial statements | | Separate financial statements | |
| | | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | | |
| Nation Edutainment Co., Ltd. | 6.84 | 6.84 | - | - | 3,000 |
| | | | <hr/> | <hr/> | <hr/> |
| | | | 3,000 | 3,000 | |

Movements during the three-month periods ended 31 March 2014 and 2013 of short-term loan to related party were as follows:

| <i>Short-term loan to related party</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|----------|--------------------------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| <i>Three-month period ended 31 March</i> | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | |
| At 1 January | - | - | 3,000 | 3,000 |
| Increase | - | - | - | - |
| Decrease | - | - | - | - |
| At 31 March | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | - | 3,000 | 3,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | - | 3,000 | 3,000 |
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Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

| <i>Other payables to related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | | | | |
| Nation Multimedia Group Public Company Limited | 10,603 | 10,850 | 9,225 | 9,571 |
| Subsidiaries | | | | |
| Nation Edutainment Co., Ltd. | - | - | 126 | 23 |
| Nation Kids Co., Ltd. | - | - | 10 | - |
| Jointly-controlled entity | | | | |
| Nation Egmont Edutainment Co., Ltd. | 1,491 | 1,445 | 838 | 1,579 |
| Other related parties | | | | |
| Nation Broadcasting Corporation Public Company Limited | 6 | - | - | - |
| Nation News Network Co., Ltd. | 318 | 1,309 | 315 | 1,309 |
| Others | 177 | 176 | 87 | 81 |
| Total | 12,595 | 13,780 | 10,601 | 12,563 |

| <i>Accrued expenses</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | | | | |
| Nation Multimedia Group Public Company Limited | 63 | 66 | 57 | 60 |
| Other related parties | | | | |
| WPS (Thailand) Co., Ltd. | 4,984 | 1,263 | 1,942 | 160 |
| NML Co., Ltd. | 5 | - | 5 | - |
| Total | 5,052 | 1,329 | 2,004 | 220 |

Significant agreement with related party

Short-term loan agreement

In 2011, the Company entered into a short-term loan agreement with Nation Edutainment Co., Ltd., a subsidiary amounted to Baht 3 million. The loan was promissory note and repayable at call. The loan bore interest rate at the average Minimum Loan Rate (average MLR) of four local financial institutions.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

4 Trade accounts receivable

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| <i>(in thousand Baht)</i> | | | | | |
| Related parties | 3 | 116,208 | 102,963 | 61,831 | 52,259 |
| Other parties | | 51,750 | 72,957 | 28,974 | 47,406 |
| Total | | 167,958 | 175,920 | 90,805 | 99,665 |
| Less allowance for doubtful accounts | | (4,177) | (3,789) | (625) | (613) |
| allowance for goods returned | | (9,749) | (9,783) | (2,434) | (2,468) |
| Net | | 154,032 | 162,348 | 87,746 | 96,584 |
| | | 2014 | 2013 | 2014 | 2013 |
| <i>(in thousand Baht)</i> | | | | | |
| Bad and doubtful debts expense for the three-month period ended 31 March | | 388 | 491 | 12 | - |

Aging analyses for trade accounts receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| <i>(in thousand Baht)</i> | | | | |
| Related parties | | | | |
| Within credit terms | 27,734 | 35,533 | 20,265 | 31,435 |
| Overdue: | | | | |
| Less than 6 months | 28,484 | 16,305 | 24,390 | 10,808 |
| 6-12 months | 35,419 | 38,483 | 17,076 | 9,911 |
| Over 12 months | 24,571 | 12,642 | 100 | 105 |
| | 116,208 | 102,963 | 61,831 | 52,259 |
| Less allowance for doubtful accounts | (67) | (67) | (67) | (67) |
| allowance for goods returned | - | - | - | - |
| | 116,141 | 102,896 | 61,764 | 52,192 |
| Other parties | | | | |
| Within credit terms | 34,003 | 37,510 | 22,025 | 29,303 |
| Overdue: | | | | |
| Less than 6 months | 10,226 | 30,730 | 1,631 | 14,513 |
| 6-12 months | 5,153 | 3,329 | 5,038 | 3,346 |
| Over 12 months | 2,368 | 1,388 | 280 | 244 |
| | 51,750 | 72,957 | 28,974 | 47,406 |
| Less allowance for doubtful accounts | (4,110) | (3,722) | (558) | (546) |
| allowance for goods returned | (9,749) | (9,783) | (2,434) | (2,468) |
| | 37,891 | 59,452 | 25,982 | 44,392 |
| Net | 154,032 | 162,348 | 87,746 | 96,584 |

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

5 Investments in subsidiaries

| <i>Three-month period ended 31 March</i> | Separate financial statements | |
|--|--|----------------------|
| | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | |
| At 1 January | 26,964 | 25,614 |
| Acquisitions | - | - |
| At 31 March | <u>26,964</u> | <u>25,614</u> |

During the three month period ended 31 March 2014, there was no acquisitions and disposals of investment in subsidiaries.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

Investments in subsidiaries as at 31 March 2014 and 31 December 2013, and dividend income from those investments for the three-month periods ended 31 March 2014 and 2013 were as follows:

| Name of subsidiaries | Type of business | Separate financial statements | | | | | | | | | | Dividend income for the three-month period ended | |
|------------------------------|---|-------------------------------|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------------|------------------------|---------------------|------------------------|--|---------------|
| | | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | 31 | 31 |
| | | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | March 2014 | March 2013 |
| | | <i>(%)</i> | | | | | | <i>(in thousand Baht)</i> | | | | | |
| Subsidiaries | | | | | | | | | | | | | |
| Nation Edutainment Co., Ltd. | Publishing | 99.99 | 99.99 | 41,250 | 41,250 | 25,364 | 25,364 | - | - | 25,364 | 25,364 | - | - |
| Nation Kids Co., Ltd. | Production of TV programs and providing advertisements through TV media | 99.99 | 99.99 | 1,000 | 1,000 | 1,000 | 1,000 | - | - | 1,000 | 1,000 | - | - |
| Nine Be Bright Co., Ltd. | Education services | 59.99 | 59.99 | 1,000 | 1,000 | 600 | 600 | - | - | 600 | 600 | - | - |
| Total | | | | | | 26,964 | 26,964 | - | - | 26,964 | 26,964 | - | - |

All subsidiaries were incorporated in Thailand.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

6 Investment in jointly-controlled entity

| <i>Three-month period ended 31 March</i> | Separate financial statements | |
|--|--|----------------------|
| | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | |
| At 1 January | 25,046 | 25,046 |
| Acquisitions | - | - |
| At 31 March | <u>25,046</u> | <u>25,046</u> |

During the three month period ended 31 March 2014, there was no acquisitions and disposals of investment in jointly-controlled entity.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

Investment in jointly-controlled entity as at 31 March 2014 and 31 December 2013, and dividend income from the investment for the three-month periods ended 31 March 2014 and 2013 were as follow:

| Name of jointly-controlled entity | Type of business | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income for the three-month period ended | |
|---|------------------|--------------------|---------------|-----------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|--|------------|
| | | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| | | March 2014 | December 2013 | March 2014 | December 2013 | March 2014 | December 2013 | March 2014 | December 2013 | March 2014 | December 2013 | March 2014 | March 2013 |
| | | (%) | | | | | | (in thousand Baht) | | | | | |
| <i>Jointly-controlled entity</i> | | | | | | | | | | | | | |
| Nation Egmont Edutainment Co., Ltd. | Publishing | 49.99 | 49.99 | 50,000 | 50,000 | <u>25,046</u> | <u>25,046</u> | <u>-</u> | <u>-</u> | <u>25,046</u> | <u>25,046</u> | <u>-</u> | <u>-</u> |

Jointly-controlled entity was incorporated in Thailand.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

7 Equipment

Acquisitions, disposals and transfers of equipment during the three-month periods ended 31 March 2014 and 2013 were as follows:

| <i>Three-month period ended 31 March</i> | Consolidated financial statements | | | |
|--|--|--|---|--|
| | 2014 | | 2013 | |
| | Acquisitions and transfers in - at cost | Disposals and transfers out - net book value | Acquisitions and transfers in - at cost | Disposals and transfers out - net book value |
| | <i>(in thousand Baht)</i> | | | |
| Furniture, fixtures and office equipment | 499 | - | 45 | - |

| <i>Three-month period ended 31 March</i> | Separate financial statements | | | |
|--|---|--|---|--|
| | 2014 | | 2013 | |
| | Acquisitions and transfers in - at cost | Disposals and transfers out - net book value | Acquisitions and transfers in - at cost | Disposals and transfers out - net book value |
| | <i>(in thousand Baht)</i> | | | |
| Furniture, fixtures and office equipment | 495 | - | 45 | - |

8 Intangible assets

During the three-month period ended 31 March 2014, the Group and the Company acquired intangible assets at the total cost of Baht 2.62 million and Baht 0.19 million, respectively (2013: Baht 6.32 million and Baht 2.41 million, respectively).

9 Deferred tax

Deferred tax assets and liabilities as at 31 March 2014 and 31 December 2013 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|--|------------------|--------------------------------------|------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Deferred tax assets | 15,832 | 15,406 | 6,073 | 5,907 |
| Deferred tax liabilities | - | - | - | - |
| Deferred tax assets - net | 15,832 | 15,406 | 6,073 | 5,907 |

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

Movements in deferred tax assets and liabilities during the three-month periods ended 31 March 2014 and 2013 were as follows:

| | Consolidated financial statements | | | At 31 March 2014 |
|--------------------------------------|--|---------------------------------|----------------------------------|---------------------------------|
| | At 1 January 2014 | (Charged) / Credited to: | | |
| | | Profit or loss | Other comprehensive income | |
| | | <i>(in thousand Baht)</i> | | |
| <i>Deferred tax assets</i> | | | | |
| Trade accounts receivable | 2,714 | 71 | - | 2,785 |
| Inventories | 8,342 | (549) | - | 7,793 |
| Other current assets | 1 | (1) | - | - |
| Provisions | 1,139 | 70 | - | 1,209 |
| Share-based payment transactions | - | 222 | - | 222 |
| Loss carry forward | 3,210 | 613 | - | 3,823 |
| Total | 15,406 | 426 | - | 15,832 |
| | | | | |
| | Consolidated financial statements | | | At 31 March 2013 |
| | At 1 January 2013 | (Charged) / Credited to: | | |
| | | Profit or loss | Other comprehensive income | |
| | | <i>(in thousand Baht)</i> | | |
| <i>Deferred tax assets</i> | | | | |
| Trade accounts receivable | 2,535 | 56 | - | 2,591 |
| Inventories | 9,739 | (284) | - | 9,455 |
| Other current assets | 1 | - | - | 1 |
| Provisions | 515 | 53 | 410 | 978 |
| Loss carry forward | 2,934 | (560) | - | 2,374 |
| Total | 15,724 | (735) | 410 | 15,399 |
| | | | | |
| <i>Deferred tax liability</i> | | | | |
| Trade accounts payable | 107 | (30) | - | 77 |
| Total | 107 | (30) | - | 77 |
| | | | | |
| Net | 15,617 | (705) | 410 | 15,322 |
| | | | | |
| | Separate financial statements | | | At 31 March 2014 |
| | At 1 January 2014 | (Charged) / Credited to: | | |
| | | Profit or loss | Other comprehensive income | |
| | | <i>(in thousand Baht)</i> | | |
| <i>Deferred tax assets</i> | | | | |
| Trade accounts receivable | 616 | (4) | - | 612 |
| Inventories | 4,562 | (95) | - | 4,467 |
| Provisions | 729 | 43 | - | 772 |
| Share-based payment transactions | - | 222 | - | 222 |
| Total | 5,907 | 166 | - | 6,073 |

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| | At 1 January 2013 | Separate financial statements (Charged) / Credited to: | | At 31 March 2013 |
|-------------------------------|-------------------------|---|----------------------------------|------------------------|
| | | Profit or loss <i>(in thousand Baht)</i> | Other comprehensive income | |
| <i>Deferred tax assets</i> | | | | |
| Trade accounts receivable | 571 | (43) | - | 528 |
| Inventories | 4,981 | 38 | - | 5,019 |
| Provisions | 176 | 42 | 385 | 603 |
| Total | 5,728 | 37 | 385 | 6,150 |
| <i>Deferred tax liability</i> | | | | |
| Trade account payable | 107 | (30) | - | 77 |
| Total | 107 | (30) | - | 77 |
| Net | 5,621 | 67 | 385 | 6,073 |

10 Employee benefit obligations

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------------------------|----------------------------------|------------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| <i>(in thousand Baht)</i> | | | | |
| Statement of financial position obligations for: | | | | |
| Post-employment benefits | 6,041 | 5,694 | 3,859 | 3,643 |
| <i>Three-month period ended 31 March</i> | | | | |
| Statement of comprehensive income: | | | | |
| Recognised in profit or loss: | | | | |
| Post-employment benefits | 291 | 268 | 226 | 210 |
| Recognised in other comprehensive income: | | | | |
| Actuarial losses recognised in the period | - | 2,051 | - | 1,926 |

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

The statement of financial position obligation was determined as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------------|--|------------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Present value of unfunded obligations | 6,041 | 5,694 | 3,859 | 3,643 |
| Statement of financial position obligation | 6,041 | 5,694 | 3,859 | 3,643 |

Movement in the present value of the defined benefit obligations:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|--------------|
| <i>Three-month period ended 31 March</i> | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Defined benefit obligations at 1 January | 5,694 | 2,572 | 3,643 | 878 |
| Transfer in (out) | 56 | - | (10) | - |
| Current service costs and interest | 291 | 268 | 226 | 210 |
| Actuarial losses in other comprehensive income | - | 2,051 | - | 1,926 |
| Defined benefit obligations at 31 March | 6,041 | 4,891 | 3,859 | 3,014 |

Expense recognised in profit or loss:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------|--|------------|
| <i>Three-month period ended 31 March</i> | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Current service costs | 232 | 220 | 189 | 181 |
| Interest on obligation | 59 | 48 | 37 | 29 |
| Total | 291 | 268 | 226 | 210 |

The expense is recognised in the following line items in the statement of comprehensive income:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------|--|------------|
| <i>Three-month period ended 31 March</i> | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Cost of sales of goods and rendering of services | 71 | 66 | 42 | 41 |
| Administrative expenses | 161 | 154 | 147 | 140 |
| Finance costs | 59 | 48 | 37 | 29 |
| Total | 291 | 268 | 226 | 210 |

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Actuarial losses recognised in other comprehensive income:

| <i>Three-month period ended 31 March</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Included in retained earnings | | | | |
| At 1 January | - | - | - | - |
| Recognised during the period | - | 2,051 | - | 1,926 |
| At 31 March | - | 2,051 | - | 1,926 |

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|--|------------------------|--|------------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(%)</i> | | | |
| Discount rate | 4.1 | 4.1 | 4.1 | 4.1 |
| Future salary increases | 4.0 - 7.0 | 4.0 - 7.0 | 4.0 - 7.0 | 4.0 - 7.0 |

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

11 Warrants

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

The expenses for share-based payment transactions for the three-month period ended 31 March 2014 were Baht 0.39 million and Baht 0.39 million for consolidated and separate financial statements, respectively.

Movements during the period ended 31 March 2014 in the number and the fair value of warrants were as follows:

| | Consolidated/ Separate financial statements | |
|-----------------------------------|--|--------------|
| | Number of warrant | Fair value |
| | <i>(thousand units / thousand Baht)</i> | |
| At 1 January | 265 | 722 |
| Issued warrants during the period | 407 | 481 |
| Forfeited during the period | (266) | (91) |
| At 31 March | 406 | 1,112 |

12 Legal reserve

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

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13 Segment information

Information about reportable segments:

| <i>Business segments</i> | Publishing | | TV Media | | Others | | Total | |
|---|-------------------|---------------|-----------------|--------------|---------------|---------------|---------------|----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| <i>Three-month period ended 31 March</i> | | | | | | | | |
| | | | | | | | | |
| External revenue | 33,109 | 71,859 | 11,433 | 4,291 | 19,302 | 22,185 | 63,844 | 98,335 |
| Other income | 3,086 | 1,128 | - | - | 1,965 | 865 | 5,051 | 1,993 |
| Total revenue | 36,195 | 72,987 | 11,433 | 4,291 | 21,267 | 23,050 | 68,895 | 100,328 |
| Segment profit (loss) before income tax | 111 | 16,981 | 587 | (6,261) | 1,454 | 2,760 | 2,152 | 13,480 |
| Segment assets as at 31 March/31 December | 472,680 | 459,986 | 156,369 | 174,582 | 128,345 | 126,737 | 757,394 | 761,305 |

Geographic segments

The Group is managed and operates principally in Thailand. Management considers that the Group operates in a single geographic area.

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14 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2014 and 2013 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

| <i>Three-month period ended 31 March</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht / thousand shares)</i> | | | |
| Profit for the period attributable to ordinary shareholders of the Company (basic) | <u>1,665</u> | <u>9,899</u> | <u>1,739</u> | <u>7,726</u> |
| Number of ordinary shares outstanding (basic) | <u>170,048</u> | <u>85,000</u> | <u>170,048</u> | <u>85,000</u> |
| Earnings per share (basic) (in Baht) | <u>0.01</u> | <u>0.12</u> | <u>0.01</u> | <u>0.09</u> |

Diluted earnings per share

There was no potential dilution in earnings per share, because the average share price during the three-month period ended 31 March 2014 was lower than the exercise price of the warrants.

15 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Non-cancellable operating lease commitments</i> | | | | |
| Within one year | 4,094 | 14,407 | 2,360 | 3,620 |
| After one year but within five years | 2,362 | 24,949 | - | - |
| Total | <u>6,456</u> | <u>39,356</u> | <u>2,360</u> | <u>3,620</u> |
| <i>Other commitment</i> | | | | |
| Bank guarantees | <u>2,564</u> | <u>2,502</u> | <u>1,759</u> | <u>1,759</u> |

- a) The Company entered into lease and service agreements for its office premises and facilities with a local company for the period of 2 years and 10 months, commencing from 1 February 2012 to 30 November 2014 with an option to be renewable.
- b) The jointly-controlled entity entered into the warehouse rental agreements with two local companies. The jointly-controlled entity agreed to pay rental fees at the rate specified in the agreements. The agreements have durations for 3 years, expiring on 9 September 2014 and 31 December 2016, respectively.
- c) The Company entered into a rights for broadcasting agreement with a local company for the period of 2 years, commencing from 15 July 2012 to 15 July 2014.

