

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

Interim financial statements
for the three-month and nine-month periods ended
30 September 2018

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 30 September 2018; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2018; 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.

Monica.



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".

Marisa 

(Marisa Tharathornbunpakul)
Certified Public Accountant
Registration No. 5752

KPMG Phoomchai Audit Ltd.
Bangkok
7 November 2018

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2018 (Unaudited)	31 December 2017	30 September 2018 (Unaudited)	31 December 2017
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		111,236	92,218	106,601	86,057
Current investments	5	-	103,025	-	102,961
Trade accounts receivable	4, 6	12,031	62,423	6,651	55,348
Accrued income		1,946	3,555	643	2,608
Other receivables	4	4,132	14,729	8,208	51,169
Short-term loans to related parties	4	-	-	12,500	-
Inventories		16,813	18,649	6,074	5,699
Other current assets		5,132	671	601	625
Total current assets		151,290	295,270	141,278	304,467
Non-current assets					
Restricted deposit		-	400	-	-
Investments in subsidiaries	7	-	-	54,553	-
Leasehold improvements and equipment		5,543	1,121	2,631	651
Goodwill	3, 8	-	-	-	-
Intangible assets	9	58,631	12,617	9,145	11,344
Deferred tax assets		5,252	11,326	3,297	8,864
Other non-current assets		1,823	503	1,629	501
Total non-current assets		71,249	25,967	71,255	21,360
Total assets		222,539	321,237	212,533	325,827

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited)	31 December 2017	30 September 2018 (Unaudited)	31 December 2017
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable	4	10,795	13,167	6,619	12,037
Other payables	4, 10	35,361	3,938	3,184	3,461
Accrued expenses	4	12,642	10,533	6,236	5,583
Output value added tax pending		4,787	4,647	4,749	4,632
Other current liabilities		1,201	937	524	666
Total current liabilities		64,786	33,222	21,312	26,379
<i>Non-current liabilities</i>					
Non-current provisions for employee benefit		13,613	12,721	10,314	9,607
Other non-current liabilities		819	849	111	112
Total non-current liabilities		14,432	13,570	10,425	9,719
Total liabilities		79,218	46,792	31,737	36,098
<i>Equity</i>					
Share capital					
Authorised share capital		259,250	259,250	259,250	259,250
Issued and paid-up share capital		170,049	170,048	170,049	170,048
Share premium on ordinary shares		272,709	272,706	272,709	272,706
Warrants	11	-	4,215	-	4,215
Deficit					
Appropriated					
Legal reserve		10,650	10,650	10,650	10,650
Deficit		(310,020)	(183,135)	(272,612)	(167,890)
Equity attributable to owners of the parent		143,388	274,484	180,796	289,729
Non-controlling interests		(67)	(39)	-	-
Total equity		143,321	274,445	180,796	289,729
Total liabilities and equity		222,539	321,237	212,533	325,827

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)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 30 September		Three-month period ended 30 September	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Revenues	4				
Revenue from sale of goods		11,673	20,684	5,153	7,679
Revenue from rendering of services		9,296	14,109	7,451	14,103
Interest income		1,022	1,327	1,067	1,325
Other income		2,481	2,509	3,071	3,180
Total revenues		24,472	38,629	16,742	26,287
Expenses	4				
Costs of sales of goods and rendering of services		33,864	15,040	11,011	12,229
Distribution costs		5,357	8,037	3,725	6,178
Administrative expenses	13	26,732	9,624	16,425	6,625
Finance costs		153	174	122	139
Total expenses		66,106	32,875	31,283	25,171
Profit (loss) before income tax expense		(41,634)	5,754	(14,541)	1,116
Tax (expense) income		(6,433)	(1,584)	(6,338)	190
Profit (loss) for the period		(48,067)	4,170	(20,879)	1,306
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on remeasuring available-for-sale investments		-	1,107	-	1,107
Net change in fair value of available-for-sale investments transferred to profit or loss		-	(95)	-	(95)
Income tax relating to items that will be reclassified		-	(203)	-	(203)
Total items that will be reclassified subsequently to profit or loss		-	809	-	809
Other comprehensive income for the period, net of income tax		-	809	-	809
Total comprehensive income (expense) for the period		(48,067)	4,979	(20,879)	2,115

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 30 September		Three-month period ended 30 September	
<i>Note</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to				
Owners of parent	(48,067)	4,162	(20,879)	1,306
Non-controlling interests	-	8	-	-
Profit (loss) for the period	(48,067)	4,170	(20,879)	1,306
Total comprehensive income (expense) attributable to				
Owners of parent	(48,067)	4,971	(20,879)	2,115
Non-controlling interests	-	8	-	-
Total comprehensive income (expense) for the period	(48,067)	4,979	(20,879)	2,115
Earnings (loss) per share <i>(in Baht)</i>				
Basic and diluted earnings (loss) per share	(0.28)	0.02	(0.12)	0.01

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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)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended 30 September		Nine-month period ended 30 September	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Revenues	4				
Revenue from sale of goods		33,954	60,200	12,768	18,504
Revenue from rendering of services		32,487	39,727	29,373	39,695
Interest income		3,154	5,259	3,182	6,243
Other income		9,412	9,224	12,118	15,277
Total revenues		79,007	114,410	57,441	79,719
Expenses	4				
Costs of sales of goods and rendering of services		71,643	52,529	33,008	35,988
Distribution costs		18,080	19,972	10,530	15,002
Administrative expenses	13	114,385	34,337	117,448	24,645
Finance costs		555	583	427	441
Total expenses		204,663	107,421	161,413	76,076
Profit (loss) before income tax expense		(125,656)	6,989	(103,972)	3,643
Tax (expense) income	14	(6,074)	(3,323)	(5,567)	180
Profit (loss) for the period		(131,730)	3,666	(109,539)	3,823
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on remeasuring available-for-sale investments	5	-	599	-	599
Net change in fair value of available-for-sale investments transferred to profit or loss	5	-	(425)	-	(425)
Income tax relating to items that will be reclassified		-	(35)	-	(35)
Total items that will be reclassified subsequently to profit or loss		-	139	-	139
Other comprehensive income for the period, net of income tax		-	139	-	139
Total comprehensive income (expense) for the period		(131,730)	3,805	(109,539)	3,962

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	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
<i>Note</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to				
Owners of parent	(131,702)	3,657	(109,539)	3,823
Non-controlling interests	(28)	9	-	-
Profit (loss) for the period	(131,730)	3,666	(109,539)	3,823
Total comprehensive income (expense) attributable to				
Owners of parent	(131,702)	3,796	(109,539)	3,962
Non-controlling interests	(28)	9	-	-
Total comprehensive income (expense) for the period	(131,730)	3,805	(109,539)	3,962
Earnings (loss) per share <i>(in Baht)</i>				
Basic and diluted earnings (loss) per share	(0.77)	0.02	(0.64)	0.02

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	Legal reserve	Deficit	Other component of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
						Deficit	Available-for-sale investments			
<i>(in thousand Baht)</i>										
Nine-month period ended 30 September 2017										
Balance at 1 January 2017		170,048	272,706	4,087	10,650	(189,699)	-	267,792	(654)	267,138
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Share-based payment transactions	11	-	-	(50)	-	-	-	(50)	-	(50)
Total contributions by and distributions to owners of the parent		-	-	(50)	-	-	-	(50)	-	(50)
<i>Change in ownership interests in subsidiaries</i>										
Acquisition of non-controlling interest without a change in control		-	-	-	-	(601)	-	(601)	601	-
Total change in ownership interests in subsidiaries		-	-	-	-	(601)	-	(601)	601	-
Total transactions with owners, recorded directly in equity		-	-	(50)	-	(601)	-	(651)	601	(50)
Comprehensive income for the period										
Profit or loss		-	-	-	-	3,657	-	3,657	9	3,666
Other comprehensive income		-	-	-	-	-	139	139	-	139
Total comprehensive income for the period		-	-	-	-	3,657	139	3,796	9	3,805
Balance at 30 September 2017		170,048	272,706	4,037	10,650	(186,643)	139	270,937	(44)	270,893

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

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	Deficit		Equity attributable to owners of parent	Non-controlling interests	Total equity
					Legal reserve	Deficit			
<i>(in thousand Baht)</i>									
Nine-month period ended 30 September 2018		170,048	272,706	4,215	10,650	(183,135)	274,484	(39)	274,445
Balance at 1 January 2018									
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the parent</i>									
Shares options exercised	11	1	3	-	-	-	4	-	4
Share-based payment transactions	11	-	-	602	-	-	602	-	602
Total contributions by and distributions to owners of the parent		1	3	602	-	-	606	-	606
Total transactions with owners, recorded directly in equity		1	3	602	-	-	606	-	606
Comprehensive income (expense) for the period									
Profit or loss		-	-	-	-	(131,702)	(131,702)	(28)	(131,730)
Total comprehensive income (expense) for the period		-	-	-	-	(131,702)	(131,702)	(28)	(131,730)
Transfer to deficit	11	-	-	(4,817)	-	4,817	-	-	-
Balance at 30 September 2018		170,049	272,709	-	10,650	(310,020)	143,388	(67)	143,321

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Note	Separate financial statements				Other component of equity		Total equity
		Issued and paid-up share capital	Share premium	Warrants	Deficit		Available-for-sale investments	
					Legal reserve	Deficit		
<i>(in thousand Baht)</i>								
Nine-month period ended 30 September 2017								
Balance at 1 January 2017		170,048	272,706	4,087	10,650	(9,968)	-	447,523
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
Share-based payment transactions	11	-	-	(50)	-	-	-	(50)
<i>Total contributions by and distributions to owners</i>		-	-	(50)	-	-	-	(50)
Total transactions with owners, recorded directly in equity		-	-	(50)	-	-	-	(50)
Comprehensive income for the period								
Profit or loss		-	-	-	-	3,823	-	3,823
Other comprehensive income		-	-	-	-	-	139	139
Total comprehensive income for the period		-	-	-	-	3,823	139	3,962
Balance at 30 September 2017		170,048	272,706	4,037	10,650	(6,145)	139	451,435

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)

Separate financial statements						
				Deficit		
	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Deficit	Total equity
<i>Note</i>	<i>(in thousand Baht)</i>					
Nine-month period ended 30 September 2018						
Balance at 1 January 2018	170,048	272,706	4,215	10,650	(167,890)	289,729
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Shares options exercised	1	3	-	-	-	4
Share-based payment transactions	-	-	602	-	-	602
Total contributions by and distributions to owners	1	3	602	-	-	606
Total transactions with owners, recorded directly in equity	1	3	602	-	-	606
Comprehensive income (expense) for the period						
Profit or loss	-	-	-	-	(109,539)	(109,539)
Total comprehensive income (expense) for the period	-	-	-	-	(109,539)	(109,539)
Transfer to deficit	-	-	(4,817)	-	4,817	-
Balance at 30 September 2018	170,049	272,709	-	10,650	(272,612)	180,796

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	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(131,730)	3,666	(109,539)	3,823
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	6,074	3,323	5,567	(180)
Finance costs	555	583	427	441
Depreciation	491	401	201	335
Amortisation of intangible assets	9,820	4,156	2,980	2,013
Impairment losses	5,447	-	5,447	-
Non-current provisions for employee benefit	651	255	509	172
Unrealised loss on exchange	420	-	-	-
(Reversal of) share-based payment	602	(50)	602	(50)
Gain on fair value adjustment of investment in debt securities	(2,070)	(716)	(2,070)	(716)
Gain on return of investment in subsidiary	-	-	-	(3,264)
Bad and doubtful debts expense	59,003	207	87,646	35
Reversal of allowance for goods returned	(1,388)	(1,116)	(351)	(414)
Loss on inventories devaluation	4,565	771	1,612	321
Gain on disposal of equipment	(35)	-	(22)	-
Loss on written-off of withholding tax	47	61	-	-
Interest income	(3,154)	(5,259)	(3,182)	(6,243)
	(50,702)	6,282	(10,173)	(3,727)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	2,845	(8,589)	1,570	(8,981)
Accrued income	1,609	1,114	1,965	1,947
Other receivables	758	(6,183)	2,906	2,092
Inventories	(2,729)	855	(1,986)	1,668
Other current assets	(4,496)	942	(40)	555
Restricted deposit	400	-	-	-
Other non-current assets	(1,175)	(89)	(1,175)	(88)
Trade accounts payable	(2,372)	(62,251)	(5,418)	(293)
Other payables	1,607	632	(340)	451
Accrued expenses	552	(1,620)	653	(1,141)
Output value added tax pending	140	497	117	497
Other current liabilities	(404)	29	(141)	331
Other non-current liabilities	(30)	(44)	(1)	7
Net cash used in operating	(53,997)	(68,425)	(12,063)	(6,682)

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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Taxes paid		(413)	(358)	(353)	(316)
Withholding tax refunded		463	-	463	-
Net cash used in operating activities		(53,947)	(68,783)	(11,953)	(6,998)
<i>Cash flows from investing activities</i>					
Proceed from return on capital of subsidiary		-	-	-	4,264
Acquisition of subsidiary, net of cash acquired	3,7	(1,558)	-	(10,000)	-
Current investments		64	140,196	-	140,000
Proceeds from sale of other debt security in private fund		104,872	-	104,872	-
Acquisition of debt security in private fund		-	(89,275)	-	(89,275)
Proceeds from sale of other debt security		133,159	388,977	133,159	388,977
Acquisition of other debt security		(133,000)	(285,000)	(133,000)	(285,000)
Proceeds from sale of equipment		32	-	32	-
Acquisition of equipment		(3,997)	-	(2,127)	-
Acquisition of intangible assets		(26,472)	(14,860)	(781)	(11,956)
Short-term loans to related parties		-	-	(12,500)	(3,000)
Proceeds from repayment of short-term loans to related party		-	-	-	39,000
Interest received		3,034	3,229	3,059	4,211
Net cash from investing activities		76,134	143,267	82,714	187,221
<i>Cash flows from financing activities</i>					
Proceeds from exercise of share options		4	-	4	-
Repayment of borrowings		(2,881)	-	-	-
Investment in subsidiaries		-	-	(50,000)	(103,000)
Interest paid		(292)	(350)	(221)	(261)
Net cash used in financing activities		(3,169)	(350)	(50,217)	(103,261)
Net increase in cash and cash equivalents		19,018	74,134	20,544	76,962
Cash and cash equivalents at beginning of period		92,218	20,829	86,057	13,826
Cash and cash equivalents at ending of period		111,236	94,963	106,601	90,788
<i>Non-cash transactions</i>					
Payables for purchase of equipment		69	-	54	-
Payables for purchase of intangible assets		29,361	391	-	-

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 and nine-month periods ended 30 September 2018 (Unaudited)

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Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2018 (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 financial statements, and were approved and authorised for issued by the Board of Directors on 7 November 2018.

1 General information

Nation International Edutainment Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 333 Lao Peng Nguan 1 Tower, 24th Floor, Soi Choeiphuang, Vibhavadi-Rangsit Road, Kwang Chomphon, Khet Chatuchak, Bangkok (Former address: 1858/121-122, 125-128 Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok).

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

The immediate parent company during the financial period was Nation Multimedia Group Public Company Limited (71.04% shareholding), which was incorporated in Thailand.

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

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 2017) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2017. 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 subsidiary for the year ended 31 December 2017.

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 2017 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018. 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 or the Company.

In addition to the above new and revised TFRS which relevant to the Group’s operations. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years. The Group has not early adopted these standards in preparing these interim financial statements.

TFRS	Topic	Effective
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020

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TFRS	Topic	Effective
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* *TFRS - Financial instruments standards*

TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) Construction Contracts,
- TAS 18 (revised 2017) Revenue,
- TSIC 31 (revised 2017) Revenue-Barter Transactions Involving Advertising Services,
- TFRIC 13 (revised 2017) Customer Loyalty Programmes,
- TFRIC 15 (revised 2017) Agreements for the Construction of Real Estate, and
- TFRIC 18 (revised 2017) Transfers of Assets from Customers.

TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 and Financial instruments standards on the consolidated and separate financial statements.

(b) *Functional and presentation currency*

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

(c) *Use of judgements and estimates*

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 2017.

Measurement of fair values

Significant valuations are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in note 16 - financial instruments.

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

At the Board of Directors' meeting of the Company held on 3 August 2016, the Board of Directors approved the restructuring of the Group's publishing and distributing of publications in accordance with the current situation and focusing on the publishing and distributing of certain profitable publications. According to the aforementioned operation's results, the Group has considered to recognise loss on decline in value of inventories and written-off the licences for publications for the year 2016. For the nine-month period ended 30 September 2018, the Group incurred net loss of Baht 131.73 million and Baht 109.54 million in the consolidated and separate statements of comprehensive income, respectively, and as of the date, the Group had deficit of Baht 310.02 million and Baht 272.61 million in the consolidated and separate statements of financial position, respectively. The Group is still in the process of business restructuring in which the Group has expanded its businesses in providing information services over offline and online media as described in note 3 and event after the reporting date, the shareholders of the Company approved an increase in the registered share capital for working capital within the Group as described within note 18.

In addition, the parent company disclosed in note to the financial statements for the year ended 31 December 2017 regarding the basis of preparation of the financial statements on a going concern basis, financial position and liquidity of the parent company including planning and liquidity's risk management of the Group. However, the management of the Group believes that the preparation of the financial statements on a going concern basis is appropriate because the Group has sufficient liquidity to continue its operations at least 12 months from the end of the reporting period. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group and the Company is unable to continue as a going concern.

3 Acquisition of a subsidiary

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

Taking control of One World Media Co., Ltd. will enable the Group to expand its operating channel from publishing to digital media more streamlined.

During the period from 4 April 2018 to 30 September 2018, One World Media Co., Ltd. contributed revenue of Baht 3.10 million and loss of Baht 43.15 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have not been changed and consolidated loss for the nine-month period ended 30 September 2018 would have increased by Baht 5.45 million.

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

Consideration transferred

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

Identifiable assets acquired and liabilities assumed

	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents	8,442
Other receivables	105
Other current assets	15
Equipment	1,266
Other non-current assets	194
Short-term loan	(2,881)
Other payables	(1,921)
Other current liabilities	(667)
Total identifiable net assets	<u>4,553</u>
Goodwill arising from the acquisition	5,447
Purchase consideration transferred	<u><u>10,000</u></u>

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

In accordance with TFRS 3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospective adjust the provisional amount recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date, then the acquisition accounting will be revised.

Goodwill

The goodwill is attributable mainly to the skills and technical talent of One World Media Co., Ltd. work force, and the synergies expected to be achieved from integrating the company into the Group. None of the goodwill recognised is expected to be deductible for income tax purposes (see note 8).

Acquisition-related costs

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

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4 Related parties

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

Relationship with subsidiaries are described in note 7. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Nation Multimedia Group Public Company Limited	Thailand	Parent, 71.04% shareholding, some common directors
Nation Broadcasting Corporation Public Company Limited	Thailand	71.45% shareholding by parent, some common directors
Nation News Network Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
NML Co., Ltd. (*)	Thailand	99.99% shareholding by parent, some common directors
Kom Chad Luek Media Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Krungthep Turakij Media Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Bangkok Business Broadcasting Co., Ltd.	Thailand	99.93% shareholding by parent, some common directors
WPS (Thailand) Co., Ltd.	Thailand	84.50% shareholding by parent, some common directors
Nation University (*)	Thailand	University, a license holding by Nation U Co., Ltd.
NBC Next Vision Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors
Yomiuri-Nation Information Service Limited	Thailand	45.00% shareholding by parent, some common directors

(*) The parent disposed NML Co., Ltd. and Nation U Co., Ltd. during the third quarter of 2018.

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

Transactions	Pricing policies
Sale of goods and rendering of services	General market price
Cost of sale of goods and rendering of services	Negotiable rate which approximates market price
Sale of equipment	Book value plus margin
Purchase of equipment	Book value plus margin
Interest income on loan	Approximated loan rate of financial institutions
Other income	Negotiable rate
Distribution costs and administrative expenses	Negotiable rate

Significant transactions for the three-month and nine-month periods ended 30 September with related parties were as follows:

<i>Three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent				
Sale of goods and rendering of services	1,712	3,891	1,712	3,891
Costs of sales of goods and rendering of services	1,514	2,402	1,443	2,310
Other income	76	601	76	601
Distribution costs and administrative expenses	2,041	1,382	1,130	870
Subsidiaries				
Interest income on loan	-	-	45	-
Other income	-	-	1,056	1,129
Distribution costs and administrative expenses	-	-	182	313
Other related parties				
Sale of goods and rendering of services	2,328	771	2,328	771
Costs of sales of goods and rendering of services	15,231	6,017	4,151	4,456
Sale of equipment	31	-	19	-
Other income	1,224	1,057	1,224	1,045
Distribution costs and administrative expenses	260	536	39	221
Key management personnel				
Key management personnel compensation				
Wages and salaries	3,506	1,560	3,506	1,560
Defined contribution plan	232	115	232	115
Total key management personnel compensation	<u>3,738</u>	<u>1,675</u>	<u>3,738</u>	<u>1,675</u>

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<i>Nine-month period ended 30 September</i>	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent				
Sale of goods and rendering of services	3,516	6,329	3,516	5,686
Costs of sales of goods and rendering of services	5,057	7,001	4,787	6,651
Purchase of equipment	306	-	-	-
Other income	332	2,522	332	1,455
Distribution costs and administrative expenses	5,738	4,073	3,261	2,529
Subsidiaries				
Interest income on loan	-	-	45	989
Other income	-	-	4,131	4,576
Distribution costs and administrative expenses	-	-	635	948
Other related parties				
Sale of goods and rendering of services	3,213	1,932	3,210	1,922
Costs of sales of goods and rendering of services	29,553	18,695	13,153	13,570
Sale of equipment	31	-	19	-
Purchase of equipment	17	-	17	-
Other income	3,294	3,233	3,294	3,197
Distribution costs and administrative expenses	964	1,612	219	405
Key management personnel				
Key management personnel compensation				
Wages and salaries	10,088	4,680	10,088	4,680
Defined contribution plan	626	343	626	343
Total key management personnel compensation	<u>10,714</u>	<u>5,023</u>	<u>10,714</u>	<u>5,023</u>

Balances as at 30 September 2018 and 31 December 2017 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent	29,255	27,959	27,583	24,970
Subsidiary	-	-	127	719
Other related parties	14,010	13,270	14,010	13,265
	<u>43,265</u>	<u>41,229</u>	<u>41,720</u>	<u>38,954</u>
Less allowance for doubtful accounts	(40,321)	(67)	(38,777)	(67)
allowance for goods returned	-	-	-	-
Net	<u>2,944</u>	<u>41,162</u>	<u>2,943</u>	<u>38,887</u>

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
(Reversal of) bad and doubtful debts expense for the:				
- three-month period ended 30 September	<u>(1,504)</u>	<u>-</u>	<u>(651)</u>	<u>-</u>
- nine-month period ended 30 September	<u>40,321</u>	<u>-</u>	<u>38,777</u>	<u>-</u>

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Parent	8,823	8,745	7,271	6,681
Subsidiaries	-	-	37,001	39,730
Other related parties	1,491	4,079	1,477	3,776
	<u>10,314</u>	<u>12,824</u>	<u>45,749</u>	<u>50,187</u>
Less allowance for doubtful accounts	(10,068)	-	(40,169)	-
Net	<u>246</u>	<u>12,824</u>	<u>5,580</u>	<u>50,187</u>
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			

(Reversal of) bad and doubtful debts expense for the:				
- three-month period ended 30 September	<u>(2,280)</u>	<u>-</u>	<u>(1,019)</u>	<u>-</u>
- nine-month period ended 30 September	<u>10,068</u>	<u>-</u>	<u>40,169</u>	<u>-</u>

Short-term loans to related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiaries	6.20	-	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>-</u>

Movements during the nine-month period ended 30 September 2018 and 2017 of short-term loans to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	-	36,000
Increase	-	-	12,500	3,000
Decrease	-	-	-	(39,000)
At 30 September	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>-</u>

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<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent	1,434	1,224	1,370	1,156
Other related parties	4,773	3,548	2,447	2,924
Total	6,207	4,772	3,817	4,080

<i>Other payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent	2,292	1,677	1,348	1,143
Subsidiary	-	-	685	635
Other related parties	61	277	49	112
Total	2,353	1,954	2,082	1,890

<i>Accrued expenses - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent	32	145	30	113
Other related party	-	543	-	284
Total	32	688	30	397

Significant agreements with related parties

Short-term loans agreements

The Company entered into a short-term loan agreement with a subsidiary (“Nation Global Edutainment Co., Ltd”) amounting to Baht 1.5 million. The loan was promissory note and repayable at call. The loan bears interest rate the average Minimum Loan Rate (average MLR) of four local financial institution.

The Company entered into short-term loans agreements with a subsidiary (“One World Media Co., Ltd”) amounting to Baht 11.0 million. The loans were promissory notes and repayable at call. The loans bear interest rate the average Minimum Loan Rate (average MLR) of four local financial institution.

Other agreements

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

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

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

The Company and a subsidiary entered into agreements with a parent company to rent office spaces and related services. The Company and the subsidiary committed to pay rental and service fees as specified in the agreements.

The Company entered into agreements with a parent company, a subsidiary and other related parties to provide information technology system services. The Company will receive service fees as specified in the agreements.

5 Current investments

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Short-term deposits at financial institutions	-	64	-	-
Debt security held for trading (Private fund)	-	102,961	-	102,961
Total	-	103,025	-	102,961

The Company established a private fund by engaging an independent assets management company for the purpose of cash management of the Company. This private fund invested in equity fully and debt securities in response to capital market conditions. As at 30 September 2018, the Company has fully redeemed cash from the private fund.

Movements during the nine-month periods ended 30 September of the marketable debt securities were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Trading security				
At 1 January	-	103,261	-	103,261
Purchases during the period	133,000	83,000	133,000	83,000
Sales during the period	(133,159)	(54,832)	(133,159)	(54,832)
Transfer during the period	-	(131,552)	-	(131,552)
Valuation adjustment	159	123	159	123
At 30 September	-	-	-	-
Trading security (Private fund)				
At 1 January	102,961	-	102,961	-
Sales during the period	(104,872)	-	(104,872)	-
Valuation adjustment	1,911	-	1,911	-
At 30 September	-	-	-	-

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Available-for-sale security				
At 1 January	-	-	-	-
Purchases during the period	-	202,000	-	202,000
Sales during the period	-	(333,552)	-	(333,552)
Transfer during the period	-	131,552	-	131,552
At 30 September	-	-	-	-
Available-for-sale security (Private Fund)				
At 1 January	-	-	-	-
Purchases during the period	-	89,275	-	89,275
Valuation adjustment	-	174	-	174
At 30 September	-	89,449	-	89,449

6 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		<i>(in thousand Baht)</i>			
Related parties	4	43,265	41,229	41,720	38,954
Other parties		11,510	27,561	3,866	17,051
Total		54,775	68,790	45,586	56,005
<i>Less</i> allowance for doubtful accounts		(41,673)	(3,908)	(38,798)	(169)
allowance for goods returned		(1,071)	(2,459)	(137)	(488)
Net		12,031	62,423	6,651	55,348
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
(Reversal of) bad and doubtful debts expense for the:					
- three-month period ended 30 September		7,198	21	8,122	(13)
- nine-month period ended 30 September		48,935	207	47,477	35

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	3,601	3,743	3,601	2,047
Overdue:				
Less than 3 months	310	6,877	310	6,877
3-6 months	895	790	895	630
6-12 months	8,805	4,737	8,264	4,038
Over 12 months	29,654	25,082	28,650	25,362
	43,265	41,229	41,720	38,954
<i>Less</i> allowance for doubtful accounts	(40,321)	(67)	(38,777)	(67)
allowance for goods returned	-	-	-	-
	2,944	41,162	2,943	38,887
Other parties				
Within credit terms	8,312	21,195	3,611	16,602
Overdue:				
Less than 3 months	1,826	2,390	182	164
3-6 months	7	71	38	128
6-12 months	27	127	27	111
Over 12 months	1,338	3,778	8	46
	11,510	27,561	3,866	17,051
<i>Less</i> allowance for doubtful accounts	(1,352)	(3,841)	(21)	(102)
allowance for goods returned	(1,071)	(2,459)	(137)	(488)
	9,087	21,261	3,708	16,461
Net	12,031	62,423	6,651	55,348

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

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7 Investments in subsidiaries

<i>Nine-month period ended 30 September</i>	Separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	-	61,410
Acquisition	10,000	-
Additions	50,000	103,000
Impairment loss	(5,447)	-
Disposal	-	(1,000)
At 30 September	<u>54,553</u>	<u>163,410</u>

During the nine-month period ended 30 September 2018, there were the following acquisition and addition of investments in a subsidiary:

Acquisition

On 4 April 2018, the Company had acquired in 99.99% of the issued and paid-up capital of One World Media Co., Ltd., which incorporated in Thailand, in the amount of Baht 10 million. One World Media Co., Ltd. thereby became a subsidiary of the Group (see note 3).

Additions

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

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

Impairment loss

According to a subsidiary (“One Word Media Co., Ltd.”) has operated its business during the second quarter of 2018. The management of the Company believed that the value of the investment might have been impaired. Based on the result of the management judgement, the Company recognised impairment loss on investment amounting to Baht 5.45 million in the separate financial statements for the nine-month periods ended 30 September 2018.

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Investments in subsidiaries as at 30 September 2018 and 31 December 2017, and dividend income from those investments for the nine-month periods ended 30 September were as follows:

Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Separate financial statements				Dividend income for the nine-month period ended			
		30	31	30	31	Cost		Impairment		At cost - net		30	30
		September	December	September	December	September	December	September	December	September	December	September	September
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		(%)						(in thousand Baht)					
Nation Global Edutainment Co., Ltd.	Importing, publishing and distributing children's books for edutainment	99.74	99.74	200,000	200,000	163,410	163,410	163,410	163,410	-	-	-	-
One World Media Co., Ltd.	Providing information services over offline and online media	99.99	-	60,000	-	60,000	-	5,447	-	54,553	-	-	-
Total						223,410	163,410	168,857	163,410	54,553	-	-	-

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

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8 Goodwill

<i>Nine-month period ended 30 September 2018</i>		Consolidated financial statements <i>(in thousand Baht)</i>
	<i>Note</i>	
<i>Cost</i>		
At 1 January		-
Acquired through business combination	3	<u>5,447</u>
At 30 September		<u>5,447</u>
<i>Impairment loss</i>		
At 1 January		-
Impairment loss		<u>5,447</u>
At 30 September		<u>5,447</u>
<i>Net book value</i>		
At 1 January		<u>-</u>
At 30 September		<u>-</u>

According to One Word Media Co., Ltd., a subsidiary, has operated its business during the second quarter of 2018. The management of the Company believed that the goodwill which perceived from the business acquisition, might have been impaired. Based on the result of the management judgement, the Group recognised impairment loss on goodwill amounting to Baht 5.45 million in the consolidated financial statements for the nine-month periods ended 30 September 2018.

9 Intangible assets

During the nine-month period ended 30 September 2018, the Group acquired computer programmes and software licences, and trademark at a total cost of Baht 21.70 million and Baht 30 million, respectively.

10 Other payables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		<i>(in thousand Baht)</i>			
Related parties	4	<u>2,353</u>	<u>1,954</u>	<u>2,082</u>	<u>1,890</u>
<i>Others</i>					
Other payables		991	1,007	936	996
Advance received		112	575	112	575
Payables for purchase of assets		<u>31,905</u>	<u>402</u>	<u>54</u>	<u>-</u>
		<u>33,008</u>	<u>1,984</u>	<u>1,102</u>	<u>1,571</u>
Total		<u>35,361</u>	<u>3,938</u>	<u>3,184</u>	<u>3,461</u>

Mainly payables for purchase assets as at 30 September 2018 consisted of payables for purchase computer programmes and software licences, and trademark amounting to Baht 15.79 million and Baht 16.05 million, respectively.

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11 Warrants

NINE-WA

At the annual general meeting of the shareholders of the Company held on 23 April 2013, the shareholders approved an issuance of warrants to the directors, management and/or employees of the Company and/or its subsidiaries of 4,250,000 units.

On 15 August 2013, the Company granted the rights and notified terms and conditions for exercising the rights to the directors, management and/or employees of the Company and/or its subsidiaries.

The expenses for share-based payment transactions for the nine-month period ended 30 September 2018 of Baht 0.60 million and Baht 0.60 million in the consolidated and separate financial statements, respectively (*2017: reversed the expenses for share-based payment transactions were Baht 0.05 million and Baht 0.05 million, respectively*).

Movements during the nine-month periods ended 30 September of warrants were as follows:

	Consolidated financial statements / Separate financial statements			
	2018		2017	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(in thousand units / in thousand Baht)</i>			
At 1 January	1,538	4,215	1,492	4,087
Issued warrants during the period	220	602	406	908
Forfeited warrants during the period	-	-	(424)	(958)
Expired warrants	(1,758)	(4,817)	-	-
At 30 September	-	-	1,474	4,037

NINE-WI

The outstanding unexercised warrants which expire as at 11 July 2018 were as follow:

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

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12 Segment information

Information about reportable segments

<i>Three-month period ended 30 September</i>	Publishing and services		TV and new media		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
External revenue	17,148	31,806	3,301	2,430	520	557	20,969	34,793
Other income	2,819	3,220	-	165	684	451	3,503	3,836
Total segment revenues	19,967	35,026	3,301	2,595	1,204	1,008	24,472	38,629
Segment profit (loss) before income tax	(10,210)	7,979	(21,236)	(1,974)	(10,188)	(251)	(41,634)	5,754
<i>Nine-month period ended 30 September</i>								
External revenue	60,090	93,953	4,773	4,421	1,578	1,553	66,441	99,927
Other income	10,209	12,458	13	176	2,344	1,849	12,566	14,483
Total segment revenues	70,299	106,411	4,786	4,597	3,922	3,402	79,007	114,410
Segment profit (loss) before income tax	(27,282)	11,558	(76,097)	(3,656)	(22,277)	(913)	(125,656)	6,989
Segment assets as at 30 September / 31 December	130,396	227,956	61,812	31,615	12,018	17,185	204,226	276,756
Segment liabilities as at 30 September / 31 December	24,747	30,105	37,988	581	896	1,202	63,631	31,888

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Reconciliations of reportable segment assets and liabilities

	Consolidated financial statements	
	30 September 2018	31 December 2017
	<i>(in thousand Baht)</i>	
Assets		
Total assets for reportable segments	204,226	276,756
Other unallocated amounts	18,313	44,481
Consolidated total assets	<u>222,539</u>	<u>321,237</u>
Liabilities		
Total liabilities for reportable segments	63,631	31,888
Other unallocated amounts	15,587	14,904
Consolidated total liabilities	<u>79,218</u>	<u>46,792</u>

13 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Three-month period ended 30 September</i>				
(Reversal) bad and doubtful debts expenses	4,917	22	7,103	(13)
Personnel	14,902	5,484	5,814	4,314
Others	6,913	4,118	3,508	2,324
Total	<u>26,732</u>	<u>9,624</u>	<u>16,425</u>	<u>6,625</u>
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Nine-month period ended 30 September</i>				
Bad and doubtful debts expenses	59,003	207	87,646	35
Personnel	33,123	18,381	15,891	14,944
Impairment losses	5,447	-	5,447	-
Others	16,812	15,749	8,464	9,666
Total	<u>114,385</u>	<u>34,337</u>	<u>117,448</u>	<u>24,645</u>

14 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group's consolidated and the Company's effective tax rates in respect of continuing operations for the nine-month period ended 30 September 2018 were 4.83% and 5.35%, respectively (*30 September 2017: 47.55% and 4.94%, respectively*). These changes in effective tax rates were mainly caused by the tax losses expire in 2021-2023 and the different treatment for accounting and taxation purposes of certain items of the allowance for doubtful accounts, in particular. The Group has not recognised deferred tax asset relating to such item at 30 September 2018.

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15 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2018 and 2017 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>Three-month period ended 30 September</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(48,067)</u>	<u>4,162</u>	<u>(20,879)</u>	<u>1,306</u>
Number of ordinary shares outstanding at 1 January	170,048	170,048	170,048	170,048
Effect of shares options exercised	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (basic)	<u>170,049</u>	<u>170,048</u>	<u>170,049</u>	<u>170,048</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.28)</u>	<u>0.02</u>	<u>(0.12)</u>	<u>0.01</u>
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>Nine-month period ended 30 September</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(131,702)</u>	<u>3,657</u>	<u>(109,539)</u>	<u>3,823</u>
Number of ordinary shares outstanding at 1 January	170,048	170,048	170,048	170,048
Effect of shares options exercised	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (basic)	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.77)</u>	<u>0.02</u>	<u>(0.64)</u>	<u>0.02</u>

Diluted earnings (loss) per share

The Group and the Company did not assumed the conversion of the warrants (NINE-W1) and the warrants issued to the directors, management and/or employee of the Company and/or its subsidiary (NINE-WA) in the calculation of diluted earnings (loss) per share, as the exercise prices (including fair value of services to be rendered per warrant) were higher than the weighted average market prices in the consolidated and separate financial statements for the three-month and nine-month periods ended 30 September 2018 and 2017.

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16 Financial instruments

Carrying amounts and fair values

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

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2017					
<i>Financial assets measured at fair value</i>					
Debt security held for trading (Private fund)	102,961	-	102,961	-	102,961
		Separate financial statements			
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 December 2017					
<i>Financial assets measured at fair value</i>					
Debt security held for trading (Private fund)	102,961	-	102,961	-	102,961

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table show the valuation techniques used in measuring Level 2 fair values at 31 December 2017 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 2 (c).

Financial instruments measured at fair value

Type	Valuation technique
Investments in marketable unit trusts classified as trading investments	The net asset value as of the reporting date

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17 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Capital commitment				
<i>Contracted but not provided for:</i>				
Computer programmes and Software licences	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Future minimum lease payments under non-cancellable operating leases				
Within one year	5,894	-	4,640	-
After one year but within five years	<u>13,203</u>	<u>-</u>	<u>8,893</u>	<u>-</u>
Total	<u>19,097</u>	<u>-</u>	<u>13,533</u>	<u>-</u>
Other commitment				
Bank guarantees	<u>10</u>	<u>1,096</u>	<u>10</u>	<u>696</u>

A subsidiary entered into an agreement with a local company whereby a local company granted the right in respect of the use of trademark to the subsidiary for the period of 3 years, commencing from 31 May 2018 to 31 May 2021. Under the term of agreement, the subsidiary committed to share revenue from the right of trademark at the rate as specified in the agreement.

18 Event after the reporting period

At the extraordinary meeting of the shareholders of the Company held on 30 October 2018, the shareholders approved the following matters:

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