

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

Interim financial statements
for the three-month period ended
31 March 2019

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 2019; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2019; 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 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.

Maissa.



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
8 May 2019

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2019 (Unaudited)	31 December 2018	31 March 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		309,127	338,748	305,021	333,481
Current investments		500	100	300	100
Trade accounts receivable	3, 4	6,466	13,867	3,091	6,368
Accrued income		3,245	932	1,831	103
Other receivables	3	3,571	10,813	9,378	17,541
Short-term loans to related parties	3	-	-	3,000	3,000
Inventories		11,712	12,484	4,098	4,869
Other current assets		7,137	6,179	704	782
Total current assets		341,758	383,123	327,423	366,244
Non-current assets					
Investments in subsidiaries	5	-	-	47,386	46,386
Leasehold improvements and equipment		13,819	13,475	10,681	10,286
Goodwill	6	-	-	-	-
Intangible assets		45,619	49,241	4,369	3,983
Deferred tax assets		1,871	1,719	1,339	1,286
Other non-current assets		1,951	1,790	1,755	1,595
Total non-current assets		63,260	66,225	65,530	63,536
Total assets		405,018	449,348	392,953	429,780

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		Separate	
		financial statements		financial statements	
		31 March 2019 (Unaudited)	31 December 2018	31 March 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable	3	5,289	4,538	605	522
Other payables	3	38,870	41,057	7,082	7,948
Accrued expenses	3	10,520	13,391	5,968	5,333
Output value added tax pending		3,657	4,008	3,570	3,785
Other current liabilities		1,890	3,178	721	1,532
Total current liabilities		60,226	66,172	17,946	19,120
<i>Non-current liabilities</i>					
Non-current provisions for employee benefit		9,355	8,598	6,696	6,432
Other non-current liabilities		795	815	107	112
Total non-current liabilities		10,150	9,413	6,803	6,544
Total liabilities		70,376	75,585	24,749	25,664
<i>Equity</i>					
Share capital					
Authorised share capital		390,549	390,549	390,549	390,549
Issued and paid share capital		365,549	365,549	365,549	365,549
Share premium on ordinary shares		342,646	342,646	342,646	342,646
Deficit					
Appropriated					
Legal reserve		10,650	10,650	10,650	10,650
Deficit		(384,123)	(344,998)	(350,641)	(314,729)
Equity attributable to owners					
of the parent		334,722	373,847	368,204	404,116
Non-controlling interests		(80)	(84)	-	-
Total equity		334,642	373,763	368,204	404,116
Total liabilities and equity		405,018	449,348	392,953	429,780

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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Revenues	3				
Revenue from sale of goods		8,298	9,790	4,326	3,842
Revenue from rendering of services		2,358	11,156	314	11,148
Interest income		1,021	698	1,735	698
Other income		3,581	3,600	2,562	4,530
Total revenue		15,258	25,244	8,937	20,218
Expenses	3				
Cost of sale of goods and rendering of services		26,292	14,720	4,424	10,132
Distribution costs		6,545	4,907	989	3,089
Administrative expenses	9	21,545	61,183	39,374	85,746
Finance costs		149	184	115	154
Total expenses		54,531	80,994	44,902	99,121
Loss before income tax expense		(39,273)	(55,750)	(35,965)	(78,903)
Tax (expense) income		152	(374)	53	42
Loss for the period		(39,121)	(56,124)	(35,912)	(78,861)
Other comprehensive income					
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive expense for the period		(39,121)	(56,124)	(35,912)	(78,861)

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>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to				
Owners of parent	(39,125)	(56,101)	(35,912)	(78,861)
Non-controlling interests	4	(23)	-	-
Loss for the period	<u><u>(39,121)</u></u>	<u><u>(56,124)</u></u>	<u><u>(35,912)</u></u>	<u><u>(78,861)</u></u>
Total comprehensive income (expense) attributable to				
Owners of parent	(39,125)	(56,101)	(35,912)	(78,861)
Non-controlling interests	4	(23)	-	-
Total comprehensive expense for the period	<u><u>(39,121)</u></u>	<u><u>(56,124)</u></u>	<u><u>(35,912)</u></u>	<u><u>(78,861)</u></u>
Loss per share <i>(in Baht)</i>				
<i>10</i>				
Basic and diluted loss per share	<u><u>(0.107)</u></u>	<u><u>(0.330)</u></u>	<u><u>(0.098)</u></u>	<u><u>(0.464)</u></u>

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements							
	Issued and paid-up share capital	Share premium	Warrants	Deficit		Equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Deficit			
<i>(in thousand Baht)</i>								
Three-month period ended 31 March 2018								
Balance at 1 January 2018	170,048	272,706	4,215	10,650	(183,135)	274,484	(39)	274,445
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the parent</i>								
Share-based payment transactions	-	-	241	-	-	241	-	241
<i>Total contributions by and distributions to owners of the parent</i>	-	-	241	-	-	241	-	241
Total transactions with owners, recorded directly in equity	-	-	241	-	-	241	-	241
Comprehensive income (expense) for the period								
Loss	-	-	-	-	(56,101)	(56,101)	(23)	(56,124)
Total comprehensive income (expense) for the period	-	-	-	-	(56,101)	(56,101)	(23)	(56,124)
Balance at 31 March 2018	170,048	272,706	4,456	10,650	(239,236)	218,624	(62)	218,562

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						Total equity	
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit		Equity attributable to owners of the parent		Non-controlling interests
				Deficit	(in thousand Baht)			
Three-month period ended 31 March 2019								
Balance at 1 January 2019	365,549	342,646	10,650	(344,998)	373,847	(84)	373,763	
Comprehensive income (expense) for the period								
Profit or loss	-	-	-	(39,125)	(39,125)	4	(39,121)	
Total comprehensive income (expense) for the period	-	-	-	(39,125)	(39,125)	4	(39,121)	
Balance at 31 March 2019	365,549	342,646	10,650	(384,123)	334,722	(80)	334,642	

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				Total equity
	Issued and paid-up share capital	Share premium	<u>Deficit</u>		
Legal reserve			Deficit		
	<i>(in thousand Baht)</i>				
Three-month period ended 31 March 2019					
Balance at 1 January 2019	365,549	342,646	10,650	(314,729)	404,116
Comprehensive income (expense) for the period					
Loss	-	-	-	(35,912)	(35,912)
Total comprehensive income (expense) for the period	-	-	-	(35,912)	(35,912)
Balance at 31 March 2019	365,549	342,646	10,650	(350,641)	368,204

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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Loss for the period	(39,121)	(56,124)	(35,912)	(78,861)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	(152)	374	(53)	(42)
Finance costs	149	184	115	154
Depreciation	777	94	587	64
Amortisation of intangible assets	4,554	1,381	426	1,086
Non-current provisions for employee benefit	699	224	221	176
Unrealised gain on exchange	(255)	-	-	-
Share-based payment	-	241	-	241
Gain on fair value adjustment of investment in debt security	-	(1,349)	-	(1,349)
Bad and doubtful debts expense	4,623	52,376	28,659	79,238
Reversal of allowance for goods returned	(498)	(743)	(36)	(63)
Right to recover to returned product	(258)	-	-	-
Loss on inventories devaluation	293	1,044	(25)	151
Gain on disposal of equipment	-	(2)	-	(2)
Interest income	(1,021)	(698)	(1,735)	(698)
	<u>(30,210)</u>	<u>(2,998)</u>	<u>(7,753)</u>	<u>95</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	10,379	3,426	6,204	144
Accrued income	(2,313)	1,567	(1,728)	1,345
Other receivables	194	(1,130)	(858)	868
Inventories	479	(665)	796	(251)
Other current assets	(487)	83	210	83
Restricted deposit	-	400	-	-
Other non-current assets	(161)	1	(160)	-
Trade accounts payable	751	(3,500)	83	(3,944)
Other payables	(2,347)	(634)	(1,281)	(1,102)
Accrued expenses	(2,871)	(513)	635	(602)
Out put value added tax pending	(351)	(31)	(215)	(20)
Other current liabilities	(790)	58	(775)	124
Other non-current liabilities	(20)	-	(5)	(1)
Net cash used in operating	<u>(27,747)</u>	<u>(3,936)</u>	<u>(4,847)</u>	<u>(3,261)</u>
Taxes paid	<u>(212)</u>	<u>(101)</u>	<u>(132)</u>	<u>(90)</u>
Net cash used in operating activities	<u>(27,959)</u>	<u>(4,037)</u>	<u>(4,979)</u>	<u>(3,351)</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 31 March		Three-month period ended 31 March	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Current investments	(400)	(401)	(200)	-
Acquisition of debt security in private fund	-	(659)	-	(659)
Proceeds from sale of other debt security	-	56,082	-	56,082
Acquisition of other debt security	-	(56,000)	-	(56,000)
Proceeds from sale of equipment	32	30	20	30
Acquisition of equipment	(707)	(508)	(567)	-
Acquisition of intangible assets	(932)	(960)	(812)	(414)
Short-term loans to related party	-	-	(22,000)	-
Interest received	436	690	1,150	689
Net cash used in investing activities	(1,571)	(1,726)	(22,409)	(272)
<i>Cash flows from financing activities</i>				
Investments in subsidiary	-	-	(1,000)	-
Interest paid	(91)	(95)	(72)	(84)
Net cash used in financing activities	(91)	(95)	(1,072)	(84)
Net decrease in cash and cash equivalents	(29,621)	(5,858)	(28,460)	(3,707)
Cash and cash equivalents at 1 January	338,748	92,218	333,481	86,057
Cash and cash equivalents at 31 March	309,127	86,360	305,021	82,350
<i>Non-cash transactions</i>				
Payable for purchase of equipment	415	17	415	17

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 2019 (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 2019 (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 8 May 2019.

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, Chomphon, Chatuchak, Bangkok.

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

The Company’s major shareholders during the financial year were Silom Road Limited (48.13% shareholding), which was incorporated in British Virgin Islands and Nation Multimedia Group Public Company Limited (33.05% 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. Details of the Company’s subsidiaries as at 31 March 2019 and 31 December 2018 are given in note 5.

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 2018) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions 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 2018. 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 2018.

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 2018 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019.

The primary change is that the Group has initially adopted TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”), which replaced TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the financial statements.

For a number of new and revised TFRS which are not yet effective for current period, the Group has not early adopted these standards in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 13.

(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 2018, except for revenue recognition which requires judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 which the Group has initially adopted.

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:

- 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.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

(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 three-month period ended 31 March 2019, the Group had net loss of Baht 39.12 million and Baht 35.91 million in the consolidated and separate statements of comprehensive income, respectively, and as of the date, the Group had deficit of Baht 384.12 million and Baht 350.64 million in the consolidated and separate statements of financial position, respectively. The Group is still in the process of business restructuring and development in order to enhance its potential and competitiveness in the future. These response to the change of customer behavior which are more online-oriented such as increasing the efficiency of online distribution channels, selecting of quality books, improving the speed of delivery of books, reducing the distribution channels through modern trade and expanding its business to increase target customers. Consequently, the Group expanded its businesses in providing information services over offline and online media, as well as the Group has financial restructuring by increasing in the registered share capital for working capital within the Group including acquiring a subsidiary in 2018 and establishing an additional subsidiary in 2019.

The management of the Group believes that the preparation of the financial statements on a going concern basis is appropriate since the Group has sufficient 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 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 is described in note 5. 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.
Major shareholders		
Silom Road Limited	British Virgin Islands	Major shareholder, 48.13% shareholding, representative director of the Company
Nation Multimedia Group Public Company Limited	Thailand	Major shareholder, 33.05% shareholding, representative director of the Company

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

Name of entities	Country of incorporation /nationality	Nature of relationships
<i>Other related parties</i>		
Nation Broadcasting Corporation Public Company Limited	Thailand	71.45% shareholding by Nation Multimedia Group Public Company Limited, some common directors
Nation News Network Co., Ltd.	Thailand	99.99% shareholding by Nation Multimedia Group Public Company Limited, some common directors
NML Co., Ltd.	Thailand	99.99% shareholding by Nation Multimedia Group Public Company Limited, some common directors until 19 September 2018
Kom Chad Luek Media Co., Ltd.	Thailand	99.99% shareholding by Nation Multimedia Group Public Company Limited, some common directors
Krungthep Turakij Media Co., Ltd.	Thailand	99.99% shareholding by Nation Multimedia Group Public Company Limited, some common directors
Spring 26 Co., Ltd. (Formerly Bangkok Business Broadcasting Co., Ltd.)	Thailand	99.93% shareholding by Nation Multimedia Group Public Company Limited, some common directors
WPS (Thailand) Co., Ltd.	Thailand	84.50% shareholding by Nation Multimedia Group Public Company Limited, some common directors until 13 December 2018
Nation University	Thailand	University, a license holding by Nation U Co., Ltd. until 25 July 2018
NBC Next Vision Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors
Yomiuri-Nation Information Service Limited	Thailand	45.00% shareholding by Nation Multimedia Group Public Company Limited, some common directors (registered the liquidation on 1 November 2018 and in the process of liquidation)

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

Transactions	Pricing policies
Sale of goods and rendering 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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

Significant transactions for the three-month period ended 31 March with related parties were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholders				
Sale of goods and rendering services	-	929	-	929
Cost of sale of goods and rendering of services	-	1,763	-	1,621
Purchase of equipment	9	-	9	-
Other income	-	181	-	181
Distribution costs and administrative expenses	179	1,586	71	980
Subsidiaries				
Interest income on loan	-	-	714	-
Other income	-	-	1,804	1,047
Distribution costs and administrative expenses	-	-	157	214
Other related parties				
Sale of goods and rendering services	8	495	8	495
Cost of sale of goods and rendering of services	-	5,913	-	4,470
Purchase of equipment	-	17	-	17
Other income	13	924	13	924
Distribution costs and administrative expenses	17	247	17	38
Key management personnel				
Key management personnel compensation				
Wages and salaries	4,068	3,083	4,068	3,083
Defined contribution plan	222	194	222	194
Total key management personnel compensation	<u>4,290</u>	<u>3,277</u>	<u>4,290</u>	<u>3,277</u>

Balances as at 31 March 2019 and 31 December 2018 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Major shareholders	31,983	25,147	31,983	25,143
Subsidiaries	-	-	125	125
Other related parties	-	9,845	-	9,845
	<u>31,983</u>	<u>34,992</u>	<u>32,108</u>	<u>35,113</u>
Less allowance for doubtful accounts	<u>(31,961)</u>	<u>(34,899)</u>	<u>(32,086)</u>	<u>(35,024)</u>
Net	<u>22</u>	<u>93</u>	<u>22</u>	<u>89</u>
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
(Reversal of) Bad and doubtful debts expense for the three-month period ended 31 March	<u>(2,938)</u>	<u>40,437</u>	<u>(2,938)</u>	<u>38,537</u>

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Movements during the three-month period ended 31 March of short-term loans to related parties were as follows:

<i>Short-term loans to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	36,000	-
Increase	-	-	22,000	-
At 31 March	-	-	58,000	-

<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	11	-
Other related parties	1	1	1	1
Total	1	1	12	1

<i>Other payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholders	258	1,325	125	745
Subsidiaries	-	-	1	361
Other related parties	-	200	-	197
Total	258	1,525	126	1,303

<i>Accrued expenses - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholders	30	51	30	48
Subsidiaries	-	-	156	-
Total	30	51	186	48

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Significant agreements with related parties

Short term loans agreements

As at 31 March 2019, the Company entered into short-term loans agreements with two subsidiaries (“Nation Global Edutainment Co., Ltd.” and “One World Media Co., Ltd”) amounting to Baht 3 million and Baht 55 million, respectively (31 December 2018; Baht 3 million and Baht 33 million, respectively). The loans were promissory notes and repayable at call. The loans bear interest rate at the average Minimum Loan Rate (average MLR) of four local financial institutions.

Other agreements

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

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

4 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
		<i>(in thousand Baht)</i>			
Related parties	3	31,983	34,992	32,108	35,113
Other parties		6,477	13,847	3,102	6,301
Total		38,460	48,839	35,210	41,414
Less allowance for doubtful accounts		(31,994)	(34,972)	(32,119)	(35,046)
Net		6,466	13,867	3,091	6,368
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
(Reversal of) Bad and doubtful debts expense for the three-month period ended 31 March		(2,978)	40,310	(2,927)	38,453

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Aging analyses for trade accounts receivable were as follows

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	21	93	21	89
Overdue:				
Less than 3 months	3	-	3	-
6 - 12 months	221	2,006	221	2,006
Over 12 months	31,738	32,893	31,863	33,018
	31,983	34,992	32,108	35,113
<i>Less allowance for doubtful accounts</i>	<i>(31,961)</i>	<i>(34,899)</i>	<i>(32,086)</i>	<i>(35,024)</i>
	22	93	22	89
Other parties				
Within credit terms	3,708	10,499	1,909	6,201
Overdue:				
Less than 3 months	2,728	3,266	1,152	61
3 - 6 months	-	11	-	11
6 - 12 months	16	12	16	11
Over 12 months	25	59	25	17
	6,477	13,847	3,102	6,301
<i>Less allowance for doubtful accounts</i>	<i>(33)</i>	<i>(73)</i>	<i>(33)</i>	<i>(22)</i>
	6,444	13,774	3,069	6,279
Net	6,466	13,867	3,091	6,368

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

5 Investments in subsidiaries

<i>Three-month period ended 31 March</i>	Separate	
	financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	46,386	-
Acquisitions	1,000	-
At 31 March	47,386	-

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

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6 Goodwill

<i>Three-month period ended 31 March</i>	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Cost		
At 1 January	5,614	-
At 31 March	5,614	-
Impairment loss		
At 1 January	5,614	-
At 31 March	5,614	-
Net book value		
At 31 March	-	-

According to One Word Media Co., Ltd., a subsidiary, has operated its business during the year of 2018. The management of the Company believes that the goodwill which arose from the business acquisition, is impaired. Based on the result of the management judgement, the Group recognised impairment loss on goodwill amounting to Baht 5.61 million during the year 2018.

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7 Segment information

Information about reportable segments

<i>Three-month period ended 31 March</i>	Publishing and services		New media		Total	
	2019	2018	2019	2018	2019	2018
			<i>(in thousand Baht)</i>			
External revenue	8,611	20,946	2,045	-	10,656	20,946
Other income	4,339	4,298	263	-	4,602	4,298
Total segment revenues	12,950	25,244	2,308	-	15,258	25,244
Segment loss before income tax	(10,189)	(55,750)	(29,084)	-	(39,273)	(55,750)
Segment assets as at 31 March / 31 December	351,263	390,098	53,755	59,250	405,018	449,348
Segment liabilities as at 31 March / 31 December	27,371	33,076	43,005	42,509	70,376	75,585

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8 Revenue

The Group's operations and main revenue streams are described in the last annual financial statements
The Group's main revenue is derived from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

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<i>For the three-month period ended 31 March</i>	Consolidated financial statements					
	Publishing and services		Reportable segments		Total	
	2019	2018	New media		2019	2018
			2019	2018		
			<i>(in thousand Baht)</i>			
Primary geographical markets						
Thailand	12,950	25,244	2,308	-	15,258	25,244
Total	12,950	25,244	2,308	-	15,258	25,244
Major products/service lines						
Books	8,611	20,946	-	-	8,611	20,946
Advertising revenue	-	-	2,045	-	2,045	-
Others	4,339	4,298	263	-	4,602	4,298
Total	12,950	25,244	2,308	-	15,258	25,244
Timing of revenue recognition						
At a point in time	12,950	25,244	-	-	12,950	25,244
Overtime	-	-	2,308	-	2,308	-
Total	12,950	25,244	2,308	-	15,258	25,244

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	Separate financial statements Reportable segments	
	2019	2018
<i>For the three-month period ended 31 March</i>		
Primary geographical markets		
Thailand	8,937	20,218
Total	8,937	20,218
Major products/service lines		
Books	4,640	14,990
Others	4,297	5,228
Total	8,937	20,218
Timing of revenue recognition		
At a point in time	8,937	20,218
Total	8,937	20,218

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Consolidated financial statements		Separate financial statements	
	31 March 2019	1 January 2019	31 March 2019	1 January 2019
	<i>(in thousand Baht)</i>			
Trade accounts receivable	1,388	3,257	-	-
Contract assets				
- Current	399	819	-	-
Contract liabilities				
- Current	35	-	-	-

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on made-to-order products. The contract assets are transferred to receivables when the rights become unconditional to the Group. This usually occurs when an invoice is issued to the customer.

The contract liabilities primarily relate to the advance consideration received from customers for sales of goods and services. The Group recognises such contract liabilities as revenue when transferring control of the goods to the customers and consideration allocated to unsatisfied service-type warranty.

Right to recover returned products

A right to recover returned products is measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those inventories.

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9 Administrative expenses

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Bad and doubtful debts expenses	4,623	52,376	28,659	79,238
Personnel	10,976	4,050	6,512	2,918
Others	5,946	4,757	4,203	3,590
Total	<u>21,545</u>	<u>61,183</u>	<u>39,374</u>	<u>85,746</u>

10 Loss per share

Basic loss per share

The calculations of basic loss per share for the three-month periods ended 31 March 2019 and 2018 were based on the loss for the period 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	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (basic)	<u>(39,125)</u>	<u>(56,101)</u>	<u>(35,912)</u>	<u>(78,861)</u>
Number of ordinary shares outstanding	<u>365,549</u>	<u>170,048</u>	<u>365,549</u>	<u>170,048</u>
Loss per share (basic) (in Baht)	<u>(0.107)</u>	<u>(0.330)</u>	<u>(0.098)</u>	<u>(0.464)</u>

Diluted 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 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 periods ended 31 March 2018.

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11 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	6,785	6,050	5,531	4,795
After one year but within five years	12,070	12,165	8,379	8,169
Total	18,855	18,215	13,910	12,964
<i>Other commitment</i>				
Bank guarantees	10	10	10	10

12 Events after the reporting period

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the second quarter of 2019. As a result of this change, the provision for retirement benefits as at 30 June 2019 as well as past service cost recognised in the consolidated financial statements during the three-month and six-month periods will increase by an amount of Baht 2.09 million and Baht 2.14 million, respectively, and in separate financial statements during the three-month and six-month periods will increase by an amount of Baht 1.79 million and Baht 1.83 million, respectively.

13 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

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

* TFRS - Financial instruments standards

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(a) TFRS - Financial instruments standards

These TFRSs 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 - Financial instruments standards on the consolidated and separate financial statements.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the consolidated and separate financial statements.

14 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2018, which are included in the 2019 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2019 interim financial statements as follows;

	2018					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
			<i>(in thousand Baht)</i>			
<i>Statement of financial position as at 31 December 2018</i>						
Trade accounts receivable	12,790	1,077	13,867	6,332	36	6,368
Other current liabilities	(2,101)	<u>(1,077)</u>	(3,178)	(1,496)	<u>(36)</u>	(1,532)
		<u>-</u>			<u>-</u>	