

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

Interim financial statements  
for the three-month and six-month periods ended  
30 June 2018

and

Independent auditor's report  
on review of interim financial information





*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".

A handwritten signature in black ink that reads 'Marisa' followed by a stylized flourish.

(Marisa Tharathornbunpakul)  
Certified Public Accountant  
Registration No. 5752

KPMG Phoomchai Audit Ltd.  
Bangkok  
7 August 2018

# Nation International Edutainment Public Company Limited and its Subsidiaries

## Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2018 (Unaudited)	31 December 2017	30 June 2018 (Unaudited)	31 December 2017
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		58,973	92,218	49,870	86,057
Current investments	5	90,324	103,025	89,858	102,961
Trade accounts receivable	4, 6	18,608	62,423	15,547	55,348
Accrued income		3,574	3,555	678	2,608
Other receivables	4	2,407	14,729	7,206	51,169
Inventories		16,069	18,649	4,912	5,699
Other current assets		3,965	671	449	625
<b>Total current assets</b>		<b>193,920</b>	<b>295,270</b>	<b>168,520</b>	<b>304,467</b>
<b>Non-current assets</b>					
Restricted deposit		-	400	-	-
Investments in subsidiaries	7	-	-	44,553	-
Leasehold improvements and equipment		2,807	1,121	540	651
Goodwill	3, 8	-	-	-	-
Intangible assets	9	63,695	12,617	9,966	11,344
Deferred tax assets		11,685	11,326	9,634	8,864
Other non-current assets		649	503	454	501
<b>Total non-current assets</b>		<b>78,836</b>	<b>25,967</b>	<b>65,147</b>	<b>21,360</b>
<b>Total assets</b>		<b>272,756</b>	<b>321,237</b>	<b>233,667</b>	<b>325,827</b>

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	
		30 June 2018 (Unaudited)	31 December 2017	30 June 2018 (Unaudited)	31 December 2017
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<i>Current liabilities</i>					
Trade accounts payable	4	11,146	13,167	8,628	12,037
Other payables	4, 10	37,041	3,938	2,791	3,461
Accrued expenses	4	12,926	10,533	5,131	5,583
Output value added tax pending		4,680	4,647	4,675	4,632
Other current liabilities		1,535	937	682	666
<b>Total current liabilities</b>		<b>67,328</b>	<b>33,222</b>	<b>21,907</b>	<b>26,379</b>
<i>Non-current liabilities</i>					
Non-current provisions for employee benefit		13,346	12,721	10,099	9,607
Other non-current liabilities		819	849	111	112
<b>Total non-current liabilities</b>		<b>14,165</b>	<b>13,570</b>	<b>10,210</b>	<b>9,719</b>
<b>Total liabilities</b>		<b>81,493</b>	<b>46,792</b>	<b>32,117</b>	<b>36,098</b>
<i>Equity</i>					
Share capital					
Authorised share capital		259,250	259,250	259,250	259,250
Issued and paid-up share capital		170,048	170,048	170,048	170,048
Share premium on ordinary shares		272,706	272,706	272,706	272,706
Warrants	11	4,696	4,215	4,696	4,215
Deficit					
Appropriated					
Legal reserve		10,650	10,650	10,650	10,650
Deficit		(266,770)	(183,135)	(256,550)	(167,890)
<b>Equity attributable to owners</b>					
<b>of the parent</b>		<b>191,330</b>	<b>274,484</b>	<b>201,550</b>	<b>289,729</b>
Non-controlling interests		(67)	(39)	-	-
<b>Total equity</b>		<b>191,263</b>	<b>274,445</b>	<b>201,550</b>	<b>289,729</b>
<b>Total liabilities and equity</b>		<b>272,756</b>	<b>321,237</b>	<b>233,667</b>	<b>325,827</b>

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>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
<b>Revenues</b>	4				
Revenue from sale of goods		12,491	20,772	3,773	4,847
Revenues from rendering services		12,035	12,771	10,774	12,758
Interest income		1,434	2,153	1,417	2,572
Other income		3,331	3,283	4,517	8,129
<b>Total revenues</b>		<b>29,291</b>	<b>38,979</b>	<b>20,481</b>	<b>28,306</b>
<b>Expenses</b>	4				
Costs of sales of goods and rendering of services		23,059	20,329	11,865	12,289
Distribution costs		7,816	6,641	3,716	5,358
Administrative expenses	13	26,470	11,761	15,277	8,191
Finance costs		218	226	151	159
<b>Total expenses</b>		<b>57,563</b>	<b>38,957</b>	<b>31,009</b>	<b>25,997</b>
<b>Profit (loss) before income tax expense</b>		<b>(28,272)</b>	<b>22</b>	<b>(10,528)</b>	<b>2,309</b>
Tax (expense) income		733	(1,346)	729	(270)
<b>Profit (loss) for the period</b>		<b>(27,539)</b>	<b>(1,324)</b>	<b>(9,799)</b>	<b>2,039</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Losses on remeasuring of available-for-sale investments		-	(838)	-	(838)
Income tax relating to items that will be reclassified		-	168	-	168
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>(670)</b>	<b>-</b>	<b>(670)</b>
<b>Other comprehensive income (expense) for the period, net of tax</b>		<b>-</b>	<b>(670)</b>	<b>-</b>	<b>(670)</b>
<b>Total comprehensive income (expense) for the period</b>		<b>(27,539)</b>	<b>(1,994)</b>	<b>(9,799)</b>	<b>1,369</b>

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)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
<i>Note</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Profit (loss) attributable to</b>				
Owners of the parent	(27,534)	(1,323)	(9,799)	2,039
Non-controlling interests	(5)	(1)	-	-
<b>Profit (loss) for the period</b>	<b><u>(27,539)</u></b>	<b><u>(1,324)</u></b>	<b><u>(9,799)</u></b>	<b><u>2,039</u></b>
<b>Total comprehensive income (expense) attributable to</b>				
Owners of the parent	(27,534)	(1,993)	(9,799)	1,369
Non-controlling interests	(5)	(1)	-	-
<b>Total comprehensive income (expense) for the period</b>	<b><u>(27,539)</u></b>	<b><u>(1,994)</u></b>	<b><u>(9,799)</u></b>	<b><u>1,369</u></b>
<b>Earnings (loss) per share <i>(in Baht)</i></b>				
Basic and diluted earnings (loss) per share	15	(0.162)	(0.008)	(0.058)
		<u>0.012</u>	<u>0.012</u>	<u>0.012</u>

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)**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
<i>Note</i>	2018	2017	2018	2017	
	<i>(in thousand Baht)</i>				
<b>Revenues</b>	4				
Revenue from sale of goods		22,281	39,516	7,615	10,825
Revenue from rendering of services		23,191	25,618	21,922	25,592
Interest income		2,132	3,932	2,115	4,918
Other income		6,931	6,715	9,047	12,097
<b>Total revenues</b>		<b>54,535</b>	<b>75,781</b>	<b>40,699</b>	<b>53,432</b>
<b>Expenses</b>	4				
Costs of sales of goods and rendering of services		37,779	37,489	21,997	23,759
Distribution costs		12,723	11,935	6,805	8,824
Administrative expenses	13	87,653	24,713	101,023	18,020
Finance costs		402	409	305	302
<b>Total expenses</b>		<b>138,557</b>	<b>74,546</b>	<b>130,130</b>	<b>50,905</b>
<b>Profit (loss) before income tax expense</b>		<b>(84,022)</b>	<b>1,235</b>	<b>(89,431)</b>	<b>2,527</b>
Tax (expense) income	14	359	(1,739)	771	(10)
<b>Profit (loss) for the period</b>		<b>(83,663)</b>	<b>(504)</b>	<b>(88,660)</b>	<b>2,517</b>
<b>Other comprehensive income</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Losses on remeasuring of available-for-sale investments	5	-	(838)	-	(838)
Income tax relating to items that will be reclassified		-	168	-	168
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>(670)</b>	<b>-</b>	<b>(670)</b>
<b>Other comprehensive income (expense) for the period, net of tax</b>		<b>-</b>	<b>(670)</b>	<b>-</b>	<b>(670)</b>
<b>Total comprehensive income (expense) for the period</b>		<b>(83,663)</b>	<b>(1,174)</b>	<b>(88,660)</b>	<b>1,847</b>

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)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
<i>Note</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Profit (loss) attributable to</b>				
Owners of the parent	(83,635)	(505)	(88,660)	2,517
Non-controlling interests	(28)	1	-	-
<b>Profit (loss) for the period</b>	<b><u>(83,663)</u></b>	<b><u>(504)</u></b>	<b><u>(88,660)</u></b>	<b><u>2,517</u></b>
<b>Total comprehensive income (expense) attributable to</b>				
Owners of the parent	(83,635)	(1,175)	(88,660)	1,847
Non-controlling interests	(28)	1	-	-
<b>Total comprehensive income (expense) for the period</b>	<b><u>(83,663)</u></b>	<b><u>(1,174)</u></b>	<b><u>(88,660)</u></b>	<b><u>1,847</u></b>
<b>Earnings (loss) per share <i>(in Baht)</i></b>				
Basic and diluted earnings (loss) per share	15 <u>(0.492)</u>	<u>(0.003)</u>	<u>(0.521)</u>	<u>0.015</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)**

	<b>Consolidated financial statements</b>									
	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>										
<b>Six-month period ended 30 June 2017</b>										
<b>Balance at 1 January 2017</b>		<b>170,048</b>	<b>272,706</b>	<b>4,087</b>	<b>10,650</b>	<b>(189,699)</b>	<b>-</b>	<b>267,792</b>	<b>(654)</b>	<b>267,138</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Contributions by and distributions to owners of the parent</i>										
Share-based payment transactions	11	-	-	(40)	-	-	-	(40)	-	(40)
<b>Total contributions by and distributions to owners of the parent</b>		<b>-</b>	<b>-</b>	<b>(40)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40)</b>	<b>-</b>	<b>(40)</b>
<i>Changes in ownership interest in subsidiaries</i>										
Acquisition of non-controlling interests without a change in control		-	-	-	-	(601)	-	(601)	601	-
<b>Total changes in ownership interests in subsidiaries</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(601)</b>	<b>-</b>	<b>(601)</b>	<b>601</b>	<b>-</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>(40)</b>	<b>-</b>	<b>(601)</b>	<b>-</b>	<b>(641)</b>	<b>601</b>	<b>(40)</b>
<b>Comprehensive income (expense) for the period</b>										
Profit or loss		-	-	-	-	(505)	-	(505)	1	(504)
Other comprehensive income (expense)		-	-	-	-	-	(670)	(670)	-	(670)
<b>Total comprehensive income (expense) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(505)</b>	<b>(670)</b>	<b>(1,175)</b>	<b>1</b>	<b>(1,174)</b>
<b>Balance at 30 June 2017</b>		<b>170,048</b>	<b>272,706</b>	<b>4,047</b>	<b>10,650</b>	<b>(190,805)</b>	<b>(670)</b>	<b>265,976</b>	<b>(52)</b>	<b>265,924</b>

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>									
<b>Six-month period ended 30 June 2018</b>									
<b>Balance at 1 January 2018</b>		<b>170,048</b>	<b>272,706</b>	<b>4,215</b>	<b>10,650</b>	<b>(183,135)</b>	<b>274,484</b>	<b>(39)</b>	<b>274,445</b>
<b>Transactions with owners, recorded directly in equity</b>									
<i>Contributions by and distributions to owners of the parent</i>									
Share-based payment transactions	<i>11</i>	-	-	481	-	-	481	-	481
<i>Total contributions by and distributions to owners of the parent</i>		-	-	<b>481</b>	-	-	<b>481</b>	-	<b>481</b>
<b>Total transactions with owners, recorded directly in equity</b>		-	-	<b>481</b>	-	-	<b>481</b>	-	<b>481</b>
<b>Comprehensive income (expense) for the period</b>									
Profit or loss		-	-	-	-	(83,635)	(83,635)	(28)	(83,663)
<b>Total comprehensive income (expense) for the period</b>		-	-	-	-	<b>(83,635)</b>	<b>(83,635)</b>	<b>(28)</b>	<b>(83,663)</b>
<b>Balance at 30 June 2018</b>		<b>170,048</b>	<b>272,706</b>	<b>4,696</b>	<b>10,650</b>	<b>(266,770)</b>	<b>191,330</b>	<b>(67)</b>	<b>191,263</b>

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			
					Legal reserve	Deficit		
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 June 2017</b>								
Balance at 1 January 2017		170,048	272,706	4,087	10,650	(9,968)	-	447,523
<b>Transactions with owners, recorded directly in equity</b>								
<i>Contributions by and distributions to owners</i>								
Share-based payment transactions	11	-	-	(40)	-	-	-	(40)
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>-</b>	<b>(40)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40)</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>(40)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40)</b>
<b>Comprehensive income (expense) for the period</b>								
Profit or loss		-	-	-	-	2,517	-	2,517
Other comprehensive income (expense)		-	-	-	-	-	(670)	(670)
<b>Total comprehensive income (expense) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,517</b>	<b>(670)</b>	<b>1,847</b>
<b>Balance at 30 June 2017</b>		<b>170,048</b>	<b>272,706</b>	<b>4,047</b>	<b>10,650</b>	<b>(7,451)</b>	<b>(670)</b>	<b>449,330</b>

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

## Nation International Edutainment Public Company Limited and its Subsidiaries

### Statement of changes in equity (Unaudited)

	Note	Separate financial statements				Total equity	
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve		Deficit
<i>(in thousand Baht)</i>							
<b>Six-month period ended 30 June 2018</b>							
Balance at 1 January 2018		170,048	272,706	4,215	10,650	(167,890)	289,729
<b>Transactions with owners, recorded directly in equity</b>							
<i>Contributions by and distributions to owners</i>							
Share-based payment transactions	11	-	-	481	-	-	481
<b>Total contributions by and distributions to owners</b>		-	-	<b>481</b>	-	-	<b>481</b>
<b>Total transactions with owners, recorded directly in equity</b>		-	-	<b>481</b>	-	-	<b>481</b>
<b>Comprehensive income (expense) for the period</b>							
Profit or loss		-	-	-	-	(88,660)	(88,660)
<b>Total comprehensive income (expense) for the period</b>		-	-	-	-	<b>(88,660)</b>	<b>(88,660)</b>
<b>Balance at 30 June 2018</b>		<b>170,048</b>	<b>272,706</b>	<b>4,696</b>	<b>10,650</b>	<b>(256,550)</b>	<b>201,550</b>

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)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the period	(83,663)	(504)	(88,660)	2,517
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	(359)	1,739	(771)	10
Finance costs	402	409	305	302
Depreciation	272	304	128	250
Amortisation of intangible assets	4,158	2,839	1,995	1,079
Impairment losses	5,447	-	5,447	-
Non-current provisions for employee benefit	447	228	352	139
Unrealised loss on exchange	720	-	-	-
(Reversal of) share-based payment	481	(40)	481	(40)
Gain on fair value adjustment of investment in debt security	(2,014)	(621)	(2,014)	(621)
Gain on disposal of investment in subsidiary	-	-	-	(3,264)
Bad and doubtful debts expense	54,086	186	80,543	48
Reversal of allowance for goods returned	(776)	(1,721)	(85)	(414)
Losses on inventories devaluation	1,997	1,298	756	460
Gain on disposal of equipment	(2)	-	(2)	-
Loss on written-off of withholding tax	47	61	-	-
Interest income	(2,132)	(3,932)	(2,115)	(4,918)
	<u>(20,889)</u>	<u>246</u>	<u>(3,640)</u>	<u>(4,452)</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	2,854	(1,869)	530	(1,132)
Accrued income	(19)	1,182	1,930	942
Other receivables	44	(3,821)	2,740	3,912
Inventories	583	2,019	32	837
Other current assets	(3,527)	785	(42)	400
Restricted deposit	400	-	-	-
Other non-current assets	1	(89)	-	(89)
Trade accounts payable	(2,021)	(60,835)	(3,409)	634
Other payables	2,356	10	(670)	(783)
Accrued expenses	835	(2,215)	(452)	(1,287)
Output value added tax pending	33	184	43	176
Other current liabilities	(70)	651	16	542
Other non-current liabilities	(30)	(30)	(1)	-
Net cash used in operating	<u>(19,450)</u>	<u>(63,782)</u>	<u>(2,923)</u>	<u>(300)</u>
Taxes paid	(216)	(243)	(197)	(219)
Withholding tax refunded	463	-	463	-
<b>Net cash used in operating activities</b>	<b><u>(19,203)</u></b>	<b><u>(64,025)</u></b>	<b><u>(2,657)</u></b>	<b><u>(519)</u></b>

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>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Proceeds from disposal of subsidiary, net of cash disposed of		-	-	-	4,264
Acquisition of subsidiary, net of cash acquired	3, 7	(1,558)	-	(10,000)	-
Current investments		(401)	140,200	-	140,000
Proceeds from sale of debt security in private fund		15,000	-	15,000	-
Acquisition of debt security in private fund		-	(89,275)	-	(89,275)
Proceeds from sale of other debt security		98,117	328,882	98,117	328,882
Acquisition of other debt security		(98,000)	(225,000)	(98,000)	(225,000)
Proceeds from sale of equipment		30	-	30	-
Acquisition of equipment		(1,831)	-	(17)	-
Acquisition of intangible assets		(24,433)	(5,217)	(617)	(3,223)
Short-term loan to related party		-	-	-	(3,000)
Proceeds from repayment of short-term loans to related party		-	-	-	39,000
Interest received		2,139	2,314	2,122	3,300
<b>Net cash from (used in) investing activities</b>		<b>(10,937)</b>	<b>151,904</b>	<b>6,635</b>	<b>194,948</b>
<b><i>Cash flows from financing activities</i></b>					
Repayment of borrowing		(2,881)	-	-	-
Investment in subsidiaries	7	-	-	(40,000)	(103,000)
Interest paid		(224)	(254)	(165)	(182)
<b>Net cash used in financing activities</b>		<b>(3,105)</b>	<b>(254)</b>	<b>(40,165)</b>	<b>(103,182)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(33,245)</b>	<b>87,625</b>	<b>(36,187)</b>	<b>91,247</b>
Cash and cash equivalents at beginning of period		92,218	20,829	86,057	13,826
<b>Cash and cash equivalents at ending of period</b>		<b>58,973</b>	<b>108,454</b>	<b>49,870</b>	<b>105,073</b>
<b><i>Non-cash transactions</i></b>					
Payables for purchase of equipment		520	-	-	-
Payables for purchase of intangible assets		30,084	9,171	-	8,389

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

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**Notes to the interim financial statements**  
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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 August 2018.

**1 General information**

Nation International Edutainment Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 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 revised TFRS that are effective for annual periods beginning on or after 1 January 2018. The adoption of these 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 revised TFRS, The FAP has issued TFRS 15 *Revenue from Contracts with Customers* which is effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard in preparing these interim financial statements.

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:

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- 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.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 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:

- 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.

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(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 six-month period ended 30 June 2018, the Group incurred net loss of Baht 83.66 million and Baht 88.66 million in the consolidated and separate statements of comprehensive income, respectively, and as of the date, the Group had deficit of Baht 266.77 million and Baht 256.55 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.

In addition, the parent company disclosed in note to the interim financial statements for the three-month and nine-month periods ended 30 September 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.

In the three months period ended 30 June 2018, One World Media Co., Ltd. contributed revenue of Baht 1.26 million and loss of Baht 15.78 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have been Baht 1.26 million and consolidated loss for the six-month period ended 30 June 2018 would have been Baht 21.23 million.

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*

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

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*Identifiable assets acquired and liabilities assumed*

	<b>Fair value</b> <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)
<b>Total identifiable net assets</b>	<b>4,553</b>
Goodwill arising from the acquisition	5,447
<b>Purchase consideration transferred</b>	<b>10,000</b>
	<i>(in thousand Baht)</i>
Net cash acquired with the subsidiary	8,442
Cash paid	(10,000)
<b>Net cash outflow from acquisition of the subsidiary</b>	<b>1,558</b>

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.

*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.

#### **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.

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

<b>Name of entities</b>	<b>Country of incorporation /nationality</b>	<b>Nature of relationships</b>
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 pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
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

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

<i>Three-month period ended 30 June</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Sale of goods and rendering services	875	1,207	875	1,046
Cost of sales of goods and rendering of services	1,780	2,201	1,723	2,160
Purchase of equipment	306	-	-	-
Other income	75	1,000	75	423
Distribution costs and administrative expenses	2,111	1,335	1,151	799
<b>Subsidiaries</b>				
Interest income on loan	-	-	-	421
Other income	-	-	2,028	2,315
Distribution costs and administrative expenses	-	-	239	337
<b>Other related parties</b>				
Sale of goods and rendering services	390	532	387	532
Cost of sale of goods and rendering of services	8,409	6,156	4,532	4,794
Other income	1,146	983	1,146	971
Distribution costs and administrative expenses	457	513	142	95
<b>Key management personnel</b>				
Key management personnel compensation				
Wages and salaries	3,598	1,560	3,598	1,560
Defined contribution plan	200	114	200	114
Total key management personnel compensation	<u>3,798</u>	<u>1,674</u>	<u>3,798</u>	<u>1,674</u>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Six-month period ended 30 June</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Sale of goods and rendering services	1,804	2,438	1,804	1,795
Cost of sales of goods and rendering of services	3,543	4,599	3,344	4,341
Purchase of equipment	306	-	-	-
Other income	256	1,921	256	854
Distribution costs and administrative expenses	3,697	2,691	2,131	1,659
<b>Subsidiaries</b>				
Interest income on loan	-	-	-	989
Other income	-	-	3,075	3,447
Distribution costs and administrative expenses	-	-	453	635

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<i>Six-month period ended 30 June</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Sale of goods and rendering services	885	1,161	882	1,151
Cost of sales of goods and rendering of services	14,322	12,678	9,002	9,114
Purchase of equipment	17	-	17	-
Other income	2,070	2,176	2,070	2,152
Distribution costs and administrative expenses	704	1,076	180	184
<b>Key management personnel</b>				
Key management personnel compensation				
Wages and salaries	6,582	3,120	6,582	3,120
Defined contribution plan	394	228	394	228
Total key management personnel compensation	<u>6,976</u>	<u>3,348</u>	<u>6,976</u>	<u>3,348</u>

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

<i>Trade accounts receivable - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Parent	29,747	27,959	26,759	24,970
Subsidiary	-	-	128	719
Other related parties	13,156	13,270	13,153	13,265
	<u>42,903</u>	<u>41,229</u>	<u>40,040</u>	<u>38,954</u>
Less allowance for doubtful accounts	(41,825)	(67)	(39,428)	(67)
allowance for goods returned	-	-	-	-
<b>Net</b>	<u>1,078</u>	<u>41,162</u>	<u>612</u>	<u>38,887</u>
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			

Bad and doubtful debts expense for the

- three-month period ended 30 June

- six-month period ended 30 June

	<u>1,388</u>	<u>-</u>	<u>891</u>	<u>-</u>
	<u>41,825</u>	<u>-</u>	<u>39,428</u>	<u>-</u>

*Other receivables - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Parent	9,436	8,745	7,364	6,681
Subsidiary	-	-	36,491	39,730
Other related parties	3,979	4,079	3,842	3,776
	<u>13,415</u>	<u>12,824</u>	<u>47,697</u>	<u>50,187</u>
Less allowance for doubtful accounts	(12,348)	-	(41,188)	-
<b>Net</b>	<u>1,067</u>	<u>12,824</u>	<u>6,509</u>	<u>50,187</u>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the				
- three-month period ended 30 June	<b>282</b>	-	<b>403</b>	-
- six-month period ended 30 June	<b>12,348</b>	-	<b>41,188</b>	-

<i>Short-term loans to related party</i>	<b>Interest rate</b>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiary	-	-	-	-	-	-

Movements during the six-month period ended 30 June of short-term loans to related party were as follows:

<i>Short-term loans to related party</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
At 1 January	-	-	-	36,000
Increase	-	-	-	3,000
Decrease	-	-	-	(39,000)
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<i>Trade accounts payable - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Parent	711	1,224	688	1,156
Other related parties	3,564	3,548	1,944	2,924
<b>Total</b>	<b>4,275</b>	<b>4,772</b>	<b>2,632</b>	<b>4,080</b>

<i>Other payables - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Parent	2,969	1,677	1,168	1,143
Subsidiary	-	-	240	635
Other related parties	229	277	134	112
<b>Total</b>	<b>3,198</b>	<b>1,954</b>	<b>1,542</b>	<b>1,890</b>



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<i>Accrued expenses - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent	57	145	53	113
Other related party	527	543	156	284
<b>Total</b>	<b>584</b>	<b>688</b>	<b>209</b>	<b>397</b>

***Significant agreements with related parties***

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.

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**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Short-term deposits at financial institutions	466	64	-	-
Debt security held for trading (Private fund)	89,858	102,961	89,858	102,961
<b>Total</b>	<b>90,324</b>	<b>103,025</b>	<b>89,858</b>	<b>102,961</b>

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 and debt securities in response to capital market conditions. As at 30 June 2018, the value of private fund outstanding totalled Baht 91.53 million (including cash and cash equivalents of Baht 1.67 million).

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Trading security</b>				
At 1 January	-	103,261	-	103,261
Purchases during the period	98,000	83,000	98,000	83,000
Sales during the period	(98,117)	(54,832)	(98,117)	(54,832)
Transfer during the period	-	(131,552)	-	(131,552)
Valuation adjustment	117	123	117	123
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trading security (Private fund)</b>				
At 1 January	102,961	-	102,961	-
Sales during the period	(15,000)	-	(15,000)	-
Valuation adjustment	1,897	-	1,897	-
<b>At 30 June</b>	<b>89,858</b>	<b>-</b>	<b>89,858</b>	<b>-</b>
<b>Available for sale security</b>				
At 1 January	-	-	-	-
Purchases during the period	-	142,000	-	142,000
Sales during the period	-	(273,186)	-	(273,186)
Transfer during the period	-	131,552	-	131,552
Valuation adjustment	-	(366)	-	(366)
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available for sale security (Private fund)</b>				
At 1 January	-	-	-	-
Purchases during the period	-	89,275	-	89,275
Valuation adjustment	-	(838)	-	(838)
<b>At 30 June</b>	<b>-</b>	<b>88,437</b>	<b>-</b>	<b>88,437</b>

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**6 Trade accounts receivable**

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		<i>(in thousand Baht)</i>			
Related parties	4	42,903	41,229	40,040	38,954
Other parties		20,644	27,561	15,368	17,051
<b>Total</b>		<b>63,547</b>	<b>68,790</b>	<b>55,408</b>	<b>56,005</b>
Less allowance for doubtful accounts		(43,256)	(3,908)	(39,457)	(169)
allowance for goods returned		(1,683)	(2,459)	(404)	(488)
<b>Net</b>		<b>18,608</b>	<b>62,423</b>	<b>15,547</b>	<b>55,348</b>
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the					
- three-month period ended 30 June		<b>1,427</b>	<b>43</b>	<b>902</b>	<b>26</b>
- six-month period ended 30 June		<b>41,737</b>	<b>186</b>	<b>39,355</b>	<b>48</b>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	1,078	3,743	1,075	2,047
Overdue:				
Less than 3 months	896	6,877	896	6,877
3-6 months	3,521	790	1,825	630
6-12 months	7,668	4,737	7,507	4,038
Over 12 months	29,740	25,082	28,737	25,362
	<b>42,903</b>	<b>41,229</b>	<b>40,040</b>	<b>38,954</b>
Less allowance for doubtful accounts	(41,825)	(67)	(39,428)	(67)
allowance for goods returned	-	-	-	-
	<b>1,078</b>	<b>41,162</b>	<b>612</b>	<b>38,887</b>
<b>Other parties</b>				
Within credit terms	17,543	21,195	14,601	16,602
Overdue:				
Less than 3 months	1,553	2,390	613	164
3-6 months	95	71	104	128
6-12 months	43	127	42	111
Over 12 months	1,410	3,778	8	46
	<b>20,644</b>	<b>27,561</b>	<b>15,368</b>	<b>17,051</b>
Less allowance for doubtful accounts	(1,431)	(3,841)	(29)	(102)
allowance for goods returned	(1,683)	(2,459)	(404)	(488)
	<b>17,530</b>	<b>21,261</b>	<b>14,935</b>	<b>16,461</b>
<b>Net</b>	<b>18,608</b>	<b>62,423</b>	<b>15,547</b>	<b>55,348</b>

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

**Nation International Edutainment Public Company Limited and its Subsidiaries**  
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**7 Investments in subsidiaries**

<i>Six-month period ended 30 June</i>	<b>Separate financial statements</b>	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	-	61,410
Acquisition	10,000	-
Addition	40,000	103,000
Impairment loss	(5,447)	-
Disposal	-	(1,000)
<b>At 30 June</b>	<b>44,553</b>	<b>163,410</b>

During the six-month period ended 30 June 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).

*Addition*

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. The subsidiary registered the increase in share capital with the Ministry of Commerce on 17 May 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 three-month and six-month periods ended 30 June 2018.

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

Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Separate financial statements				Dividend income for the six-month period ended					
		31		30 June 2018	31 December 2017	Cost		Impairment		At cost - net		30 June 2018	30 June 2017		
		30 June 2018	December 2017			30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017			30 June 2018	31 December 2017
		31													
30 June 2018		December 2017		30 June 2018		31 December 2017		30 June 2018		31 December 2017		30 June 2018		30 June 2017	
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	-	50,000	-	50,000	-	5,447	-	44,553	-	-	-		
<b>Total</b>						<u>213,410</u>	<u>163,410</u>	<u>168,857</u>	<u>163,410</u>	<u>44,553</u>	<u>-</u>	<u>-</u>	<u>-</u>		

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>Six-month period ended 30 June 2018</i>	<i>Note</i>	<b>Consolidated financial statements (in thousand Baht)</b>
<i>Cost</i>		
At 1 January		-
Acquired through business combination	3	<u>5,447</u>
<b>At 30 June</b>		<b><u>5,447</u></b>
<i>Impairment loss</i>		
At 1 January		-
Impairment loss		<u>5,447</u>
<b>At 30 June</b>		<b><u>5,447</u></b>
<i>Net book value</i>		
<b>At 1 January</b>		<u>-</u>
<b>At 30 June</b>		<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 value of 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 three-month and six-month periods ended 30 June 2018.

**9 Intangible assets**

During the six-month period ended 30 June 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>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	4	<u><b>3,198</b></u>	<u><b>1,954</b></u>	<u><b>1,542</b></u>	<u><b>1,890</b></u>
<i>Others</i>					
Other payables		1,281	1,007	1,106	996
Advance received		143	575	143	575
Payables for purchase of assets		<u>32,419</u>	<u>402</u>	<u>-</u>	<u>-</u>
		<u><b>33,843</b></u>	<u><b>1,984</b></u>	<u><b>1,249</b></u>	<u><b>1,571</b></u>
<b>Total</b>		<u><b>37,041</b></u>	<u><b>3,938</b></u>	<u><b>2,791</b></u>	<u><b>3,461</b></u>

Mainly payables for purchase assets as at 30 June 2018 consisted of payables for purchase computer programmes and software licences, and trademark amounting to Baht 16.14 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 six-month period ended 30 June 2018 of Baht 0.48 million and Baht 0.48 million in the consolidated and separate financial statements, respectively (*2017: reversed the expenses for share-based payment transactions were Baht 0.04 million and Baht 0.04 million, respectively*).

Movements during the six-month periods ended 30 June 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>(thousand units / in thousand Baht)</i>			
At 1 January	1,538	4,215	1,492	4,087
Issued warrants during the period	176	481	289	606
Forfeited warrants during the period	-	-	(304)	(646)
<b>At 30 June</b>	<b>1,714</b>	<b>4,696</b>	<b>1,477</b>	<b>4,047</b>

*NINE-WI*

The outstanding unexercised warrants as at 30 June 2018 were as follow:

Unexercised warrants as at 1 January 2018	Issued warrants <i>(million units)</i>	Exercised warrants	Unexercised warrants as at 30 June 2018	Exercise price <i>(Baht / share)</i>	Expiry date
84.96	-	-	84.96	4	5 years from the grant date

At the annual general meeting of the shareholders of the Company held on 23 April 2013, the shareholders approved an issuance and offering of warrants to the Company's existing shareholders who subscribe for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price and approved an increase in the registered share capital from Baht 85 million (divided into 85,000,000 ordinary shares at Baht 1 per share) to Baht 259.25 million (divided into 259,250,000 ordinary shares at Baht 1 per share) by issuing of not exceeding 174,250,000 ordinary shares at Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above.

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**12 Segment information**

*Information about reportable segments*

	Publishing and services		TV and new media		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<i>Three-month period ended 30 June</i>								
External revenue	22,445	31,744	1,378	1,366	703	433	24,526	33,543
Other income	4,117	5,213	13	11	635	212	4,765	5,436
<b>Total segment revenues</b>	<b><u>26,562</u></b>	<b><u>36,957</u></b>	<b><u>1,391</u></b>	<b><u>1,377</u></b>	<b><u>1,338</u></b>	<b><u>645</u></b>	<b><u>29,291</u></b>	<b><u>38,979</u></b>
Segment profit (loss) before income tax	<u>(1,333)</u>	<u>1,736</u>	<u>(22,370)</u>	<u>(1,349)</u>	<u>(4,569)</u>	<u>(365)</u>	<u>(28,272)</u>	<u>22</u>
<i>Six-month period ended 30 June</i>								
External revenue	42,942	62,147	1,472	1,991	1,058	996	45,472	65,134
Other income	7,390	9,238	13	11	1,660	1,398	9,063	10,647
<b>Total segment revenues</b>	<b><u>50,332</u></b>	<b><u>71,385</u></b>	<b><u>1,485</u></b>	<b><u>2,002</u></b>	<b><u>2,718</u></b>	<b><u>2,394</u></b>	<b><u>54,535</u></b>	<b><u>75,781</u></b>
Segment profit (loss) before income tax	<u>(17,072)</u>	<u>3,579</u>	<u>(54,861)</u>	<u>(1,682)</u>	<u>(12,089)</u>	<u>(662)</u>	<u>(84,022)</u>	<u>1,235</u>
Segment assets as at 30 June / 31 December	<u>165,522</u>	<u>227,956</u>	<u>67,271</u>	<u>31,615</u>	<u>9,713</u>	<u>17,185</u>	<u>242,506</u>	<u>276,756</u>
Segment liabilities as at 30 June / 31 December	<u>26,716</u>	<u>30,105</u>	<u>37,241</u>	<u>581</u>	<u>2,080</u>	<u>1,202</u>	<u>66,037</u>	<u>31,888</u>



**Nation International Edutainment Public Company Limited and its Subsidiaries**  
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*Reconciliations of reportable segment assets and liabilities*

	<b>Consolidated financial statements</b>	
	30 June 2018	31 December 2017
	<i>(in thousand Baht)</i>	
<b>Assets</b>		
Total assets for reportable segments	242,506	276,756
Other unallocated amounts	30,250	44,481
<b>Consolidated total assets</b>	<b><u>272,756</u></b>	<b><u>321,237</u></b>
<b>Liabilities</b>		
Total liabilities for reportable segments	66,037	31,888
Other unallocated amounts	15,456	14,904
<b>Consolidated total liabilities</b>	<b><u>81,493</u></b>	<b><u>46,792</u></b>

**13 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Three-month period ended 30 June</i>				
Bad and doubtful debts expenses	1,710	42	1,305	26
Personnel	12,413	6,938	5,401	5,807
Impairment losses	5,447	-	5,447	-
Others	6,900	4,781	3,124	2,358
<b>Total</b>	<b><u>26,470</u></b>	<b><u>11,761</u></b>	<b><u>15,277</u></b>	<b><u>8,191</u></b>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Six-month period ended 30 June</i>				
Bad and doubtful debts expenses	54,086	185	80,543	48
Personnel	18,221	12,897	10,077	10,630
Impairment losses	5,447	-	5,447	-
Others	9,899	11,631	4,956	7,342
<b>Total</b>	<b><u>87,653</u></b>	<b><u>24,713</u></b>	<b><u>101,023</u></b>	<b><u>18,020</u></b>

**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 six-month period ended 30 June 2018 were 0.43% and 0.87%, respectively (*30 June 2017: 140.81% and 0.40%, respectively*). These changes in effective tax rates were mainly caused by 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 for the six-month period ended 30 June 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 six-month periods ended 30 June 2018 and 2017 were based on the profit (loss) for the period attributable to ordinary shareholders of the Company and the 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 June</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(27,534)</u>	<u>(1,323)</u>	<u>(9,799)</u>	<u>2,039</u>
Number of ordinary shares outstanding	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.162)</u>	<u>(0.008)</u>	<u>(0.058)</u>	<u>0.012</u>

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>Six-month period ended 30 June</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(83,635)</u>	<u>(505)</u>	<u>(88,660)</u>	<u>2,517</u>
Number of ordinary shares outstanding	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.492)</u>	<u>(0.003)</u>	<u>(0.521)</u>	<u>0.015</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 six-month periods ended 30 June 2018 and 2017.

**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.

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	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>30 June 2018</b>					
<i>Financial assets measured at fair value</i>					
Debt security held for trading (Private fund)	89,858	-	89,858	-	89,858
<b>31 December 2017</b>					
<i>Financial assets measured at fair value</i>					
Debt security held for trading (Private fund)	102,961	-	102,961	-	102,961
	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>30 June 2018</b>					
<i>Financial assets measured at fair value</i>					
Debt security held for trading (Private fund)	89,858	-	89,858	-	89,858
<b>31 December 2017</b>					
<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 30 June 2018 and 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**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Capital commitment</b>				
<i>Contracted but not provided for:</i>				
Computer programmes and Software licences	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Future minimum lease payments</b>				
<i>under non-cancellable operating leases</i>				
Within one year	1,254	-	-	-
After one year but within five years	<u>4,624</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><b>5,878</b></u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other commitment</b>				
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 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.