

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

Condensed Interim financial statements
for the three-month and six-month periods ended
30 June 2019
and
Independent auditor's review report



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Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position of Nation International Edutainment Public Company Limited and its subsidiaries, and of Nation International Edutainment Public Company Limited, respectively, as at 30 June 2019; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2019, and the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 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.

Manisa .



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 T.

(Marisa Tharathornbunpakul)
Certified Public Accountant
Registration No. 5752

KPMG Phoomchai Audit Ltd.
Bangkok
14 August 2019

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2019 (Unaudited)	31 December 2018	30 June 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
<i>Current assets</i>					
Cash and cash equivalents		263,167	338,748	258,636	333,481
Current investments		500	100	300	100
Trade accounts receivable	3, 4	12,647	13,867	4,938	6,368
Accrued income		1,223	932	712	103
Other receivables	3	2,202	10,813	14,207	17,541
Short-term loans to related parties	3	-	-	36,000	3,000
Inventories		11,985	12,484	4,139	4,869
Other current assets		9,134	6,179	1,986	782
Total current assets		300,858	383,123	320,918	366,244
<i>Non-current assets</i>					
Investments in subsidiaries	5	-	-	47,386	46,386
Leasehold improvements and equipment		12,948	13,475	10,352	10,286
Goodwill	6	-	-	-	-
Intangible assets	7	25,486	49,241	4,285	3,983
Deferred tax assets		2,437	1,719	1,747	1,286
Other non-current assets		782	1,790	586	1,595
Total non-current assets		41,653	66,225	64,356	63,536
Total assets		342,511	449,348	385,274	429,780

The accompanying notes from an integral part of the interim financial statements.

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2019 (Unaudited)	31 December 2018	30 June 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable	3	4,435	4,538	393	522
Other payables	3	20,803	41,057	1,138	7,948
Accrued expenses	3	10,506	13,391	5,456	5,333
Output value added tax pending		4,113	4,008	3,859	3,785
Other current liabilities		2,413	3,178	701	1,532
Total current liabilities		42,270	66,172	11,547	19,120
<i>Non-current liabilities</i>					
Non-current provisions for employee benefits	8	12,183	8,598	8,737	6,432
Other non-current liabilities		537	815	60	112
Total non-current liabilities		12,720	9,413	8,797	6,544
Total liabilities		54,990	75,585	20,344	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		(431,239)	(344,998)	(353,915)	(314,729)
Equity attributable to owners					
of the parent		287,606	373,847	364,930	404,116
Non-controlling interests		(85)	(84)	-	-
Total equity		287,521	373,763	364,930	404,116
Total liabilities and equity		342,511	449,348	385,274	429,780

The accompanying notes from an integral part of the interim 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	
		30 June		30 June	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Revenues	3, 9				
Revenue from sale of goods		12,079	12,491	5,437	3,773
Revenues from rendering of services		4,460	12,035	423	10,774
Interest income		1,171	1,434	2,369	1,417
Other income		2,114	3,331	5,438	4,517
Total revenue		19,824	29,291	13,667	20,481
Expenses	3				
Cost of sale of goods and rendering of services		27,723	23,059	3,749	11,865
Distribution costs		6,006	7,816	2,109	3,716
Administrative expenses		20,228	19,313	13,806	8,525
Impairment losses and other provisions	3, 4, 7	13,417	7,157	(2,343)	6,752
Finance costs		136	218	28	151
Total expenses		67,510	57,563	17,349	31,009
Loss before income tax expense		(47,686)	(28,272)	(3,682)	(10,528)
Tax income		565	733	408	729
Loss for the period		(47,121)	(27,539)	(3,274)	(9,799)
Other comprehensive income					
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive expense for the period		(47,121)	(27,539)	(3,274)	(9,799)

The accompanying notes from an integral part of the interim 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	
	30 June		30 June	
<i>Note</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Loss attributable to				
Owners of the parent	(47,116)	(27,534)	(3,274)	(9,799)
Non-controlling interests	(5)	(5)	-	-
Loss for the period	<u>(47,121)</u>	<u>(27,539)</u>	<u>(3,274)</u>	<u>(9,799)</u>
Total comprehensive income (expense) attributable to				
Owners of the parent	(47,116)	(27,534)	(3,274)	(9,799)
Non-controlling interests	(5)	(5)	-	-
Total comprehensive expense for the period	<u>(47,121)</u>	<u>(27,539)</u>	<u>(3,274)</u>	<u>(9,799)</u>
Loss per share (<i>in Baht</i>)				
Basic and diluted loss per share	<u>(0.129)</u>	<u>(0.162)</u>	<u>(0.009)</u>	<u>(0.058)</u>

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The accompanying notes from an integral part of the interim 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	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Revenues	3, 9				
Revenue from sale of goods		20,377	22,281	9,763	7,615
Revenue from rendering of services		6,818	23,191	737	21,922
Interest income		2,192	2,132	4,104	2,115
Other income		5,695	6,931	8,000	9,047
Total revenue		35,082	54,535	22,604	40,699
Expenses	3				
Cost of sale of goods and rendering of services		54,015	37,779	8,173	21,997
Distribution costs		12,551	12,723	3,098	6,805
Administrative expenses		37,150	28,120	24,521	15,033
Impairment losses and other provisions	3, 4, 7	18,040	59,533	26,316	85,990
Finance costs		285	402	143	305
Total expenses		122,041	138,557	62,251	130,130
Loss before income tax expense		(86,959)	(84,022)	(39,647)	(89,431)
Tax income		717	359	461	771
Loss for the period		(86,242)	(83,663)	(39,186)	(88,660)
Other comprehensive income					
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive expense for the period		(86,242)	(83,663)	(39,186)	(88,660)

The accompanying notes from an integral part of the interim financial statements.

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

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
<i>Note</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Loss attributable to				
Owners of the parent	(86,241)	(83,635)	(39,186)	(88,660)
Non-controlling interests	(1)	(28)	-	-
Loss for the period	<u>(86,242)</u>	<u>(83,663)</u>	<u>(39,186)</u>	<u>(88,660)</u>
Total comprehensive income (expense) attributable to				
Owners of the parent	(86,241)	(83,635)	(39,186)	(88,660)
Non-controlling interests	(1)	(28)	-	-
Total comprehensive expense for the period	<u>(86,242)</u>	<u>(83,663)</u>	<u>(39,186)</u>	<u>(88,660)</u>
Loss per share (<i>in Baht</i>)				
Basic and diluted loss per share	<i>10</i> <u>(0.236)</u>	<u>(0.492)</u>	<u>(0.107)</u>	<u>(0.521)</u>

The accompanying notes from an integral part of the interim 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>								
Six-month period ended 30 June 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	-	-	481	-	-	481	-	481
<i>Total contributions by and distributions to owners of the parent</i>	-	-	481	-	-	481	-	481
Total transactions with owners, recorded directly in equity	-	-	481	-	-	481	-	481
Comprehensive income (expense) for the period								
Loss	-	-	-	-	(83,635)	(83,635)	(28)	(83,663)
Total comprehensive income (expense) for the period	-	-	-	-	(83,635)	(83,635)	(28)	(83,663)
Balance at 30 June 2018	170,048	272,706	4,696	10,650	(266,770)	191,330	(67)	191,263

The accompanying notes from an integral part of the interim 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	Legal reserve	<u>Deficit</u>	Equity attributable to owners of the parent	Non-controlling interests	Total equity
				<i>(in thousand Baht)</i>			
Six-month period ended 30 June 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							
Loss	-	-	-	(86,241)	(86,241)	(1)	(86,242)
Total comprehensive income (expense) for the period	-	-	-	(86,241)	(86,241)	(1)	(86,242)
Balance at 30 June 2019	365,549	342,646	10,650	(431,239)	287,606	(85)	287,521

The accompanying notes from an integral part of the interim 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	Warrants	Legal reserve	Deficit	
<i>(in thousand Baht)</i>						
Six-month period ended 30 June 2018						
Balance at 1 January 2018	170,048	272,706	4,215	10,650	(167,890)	289,729
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Share-based payment transactions	-	-	481	-	-	481
<i>Total contributions by and distributions to owners of the Company</i>	-	-	481	-	-	481
Total transactions with owners, recorded directly in equity	-	-	481	-	-	481
Comprehensive income (expense) for the period						
Loss	-	-	-	-	(88,660)	(88,660)
Total comprehensive income (expense) for the period	-	-	-	-	(88,660)	(88,660)
Balance at 30 June 2018	170,048	272,706	4,696	10,650	(256,550)	201,550

The accompanying notes from an integral part of the interim 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	Deficit		
Legal reserve			Deficit		
	<i>(in thousand Baht)</i>				
Six-month period ended 30 June 2019					
Balance at 1 January 2019	365,549	342,646	10,650	(314,729)	404,116
Comprehensive income (expense) for the period					
Loss	-	-	-	(39,186)	(39,186)
Total comprehensive income (expense) for the period	-	-	-	(39,186)	(39,186)
Balance at 30 June 2019	365,549	342,646	10,650	(353,915)	364,930

The accompanying notes from an integral part of the interim financial statements.

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

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Loss for the period	(86,242)	(83,663)	(39,186)	(88,660)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax income	(717)	(359)	(461)	(771)
Finance costs	285	402	143	305
Depreciation	1,576	272	1,215	128
Amortisation of intangible assets	9,446	4,158	879	1,995
Impairment losses	15,938	5,447	-	5,447
Non-current provisions for employee benefit	3,467	447	2,219	352
Unrealised (gain) loss on exchange	(680)	720	-	-
Share-based payment	-	481	-	481
Gain on fair value adjustment of investment in debt security	-	(2,014)	-	(2,014)
Bad and doubtful debts expense	2,101	54,086	26,316	80,543
(Reversal of) allowance for goods returned	216	(776)	(36)	(85)
Right to recover to returned product	(540)	-	-	-
(Gain) loss on inventories devaluation	(453)	1,997	127	756
Gain on disposal of equipment	(2)	(2)	-	(2)
Loss on disposal of leasehold improvements	298	-	-	-
Loss on written-off of withholding tax	113	47	-	-
Interest income	(2,192)	(2,132)	(4,104)	(2,115)
	<u>(57,386)</u>	<u>(20,889)</u>	<u>(12,888)</u>	<u>(3,640)</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	4,893	2,854	5,052	530
Accrued income	(291)	(19)	(609)	1,930
Other receivables	4,622	44	182	2,740
Inventories	952	583	603	32
Other current assets	(2,180)	(3,527)	(1,002)	(42)
Restricted deposit	-	400	-	-
Other non-current assets	1,008	1	1,009	-
Trade accounts payable	(103)	(2,021)	(129)	(3,409)
Other payables	(19,665)	2,356	(6,901)	(670)
Accrued expenses	(2,885)	835	123	(452)
Output value added tax pending	105	33	74	43
Other current liabilities	(981)	(70)	(795)	16
Other non-current liabilities	(278)	(30)	(52)	(1)
Net cash used in operating	<u>(72,189)</u>	<u>(19,450)</u>	<u>(15,333)</u>	<u>(2,923)</u>
Taxes paid	(348)	(216)	(202)	(197)
Withholding tax refunded	-	463	-	463
Net cash used in operating activities	<u>(72,537)</u>	<u>(19,203)</u>	<u>(15,535)</u>	<u>(2,657)</u>

The accompanying notes from an integral part of the interim financial statements.

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of subsidiary, net of cash acquired	-	(1,558)	-	(10,000)
Current investments	(400)	(401)	(200)	-
Proceeds from sale of debt security in private fund	-	15,000	-	15,000
Proceeds from sale of other debt security	-	98,117	-	98,117
Acquisition of other debt security	-	(98,000)	-	(98,000)
Proceeds from sale of equipment	75	30	-	30
Acquisition of equipment	(1,329)	(1,831)	(1,190)	(17)
Acquisition of intangible assets	(1,629)	(24,433)	(1,181)	(617)
Proceeds from repayment of short-term loan to related party	-	-	3,000	-
Short-term loans to related party	-	-	(61,000)	-
Interest received	406	2,139	2,318	2,122
Net cash from (used in) investing activities	(2,877)	(10,937)	(58,253)	6,635
<i>Cash flows from financing activities</i>				
Repayment of borrowing	-	(2,881)	-	-
Investment in subsidiaries	-	-	(1,000)	(40,000)
Interest paid	(167)	(224)	(57)	(165)
Net cash used in financing activities	(167)	(3,105)	(1,057)	(40,165)
Net decrease in cash and cash equivalents	(75,581)	(33,245)	(74,845)	(36,187)
Cash and cash equivalents at 1 January	338,748	92,218	333,481	86,057
Cash and cash equivalents at 30 June	263,167	58,973	258,636	49,870
<i>Non-cash transactions</i>				
Payables for purchase of equipment	91	520	91	-
Payables for purchase of intangible assets	-	30,084	-	-

The accompanying notes from an integral part of the interim financial statements.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2019 (Unaudited)

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Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 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 14 August 2019.

1 General information

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 30 June 2019 and 31 December 2018 are given in note 5.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *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.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation 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 additional 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 *Revenue from Contracts with Customers* ("TFRS 15") which the Group has initially adopted to replace TAS 18 *Revenue* ("TAS 18"), TAS 11 *Construction Contracts* ("TAS11") and related interpretations.

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.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2019 (Unaudited)

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for current period in preparing these interim financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 12.

(c) *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 2019, the Group had net loss of Baht 86.24 million and Baht 39.19 million in the consolidated and separate statements of comprehensive income, respectively, and as of the date, the Group had deficit of Baht 431.24 million and Baht 353.92 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 behaviour 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

Relationship with subsidiaries is described in note 5.

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Three-month period ended 30 June</i>				
Major shareholders				
Sale of goods and rendering of services	-	875	-	875
Cost of sale of goods and rendering of services	-	1,780	-	1,723
Purchase of equipment	-	306	-	-
Other income	9	75	9	75
Distribution costs and administrative expenses	302	2,111	-	1,151
Subsidiaries				
Interest income on loan	-	-	1,211	-
Other income	-	-	4,820	2,028
Distribution costs and administrative expenses	-	-	568	239

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	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 June</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties				
Sale of goods and rendering of services	-	390	-	387
Cost of sale of goods and rendering of services	-	8,409	-	4,532
Other income	85	1,146	85	1,146
Distribution costs and administrative expenses	15	457	15	142
Key management personnel				
Key management personnel compensation				
Wages and salaries	4,080	3,598	4,080	3,598
Defined contribution plan	238	200	238	200
Total key management personnel compensation	<u>4,318</u>	<u>3,798</u>	<u>4,318</u>	<u>3,798</u>
Six-month period ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholders				
Sale of goods and rendering of services	-	1,804	-	1,804
Cost of sale of goods and rendering of services	-	3,543	-	3,344
Purchase of equipment	9	306	9	-
Other income	9	256	9	256
Distribution costs and administrative expenses	481	3,697	71	2,131
Subsidiaries				
Interest income on loan	-	-	1,925	-
Other income	-	-	6,624	3,075
Distribution costs and administrative expenses	-	-	725	453
Other related parties				
Sale of goods and rendering services	8	885	8	882
Cost of sale of goods and rendering of services	-	14,322	-	9,002
Purchase of equipment	-	17	-	17
Other income	98	2,070	98	2,070
Distribution costs and administrative expenses	32	704	32	180
Key management personnel				
Key management personnel compensation				
Wages and salaries	8,148	6,582	8,148	6,582
Defined contribution plan	460	394	460	394
Total key management personnel compensation	<u>8,608</u>	<u>6,976</u>	<u>8,608</u>	<u>6,976</u>

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Balances as at 30 June 2019 and 31 December 2018 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Major shareholders	24,447	25,147	24,447	25,143
Subsidiaries	-	-	125	125
Other related parties	6,817	9,845	6,817	9,845
	31,264	34,992	31,389	35,113
<i>Less allowance for doubtful accounts</i>	<u>(31,264)</u>	<u>(34,899)</u>	<u>(31,389)</u>	<u>(35,024)</u>
Net	-	93	-	89
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
(Reversal of) Bad and doubtful debts expense for the				
- three-month period ended 30 June	<u>(697)</u>	<u>1,388</u>	<u>(697)</u>	<u>891</u>
- six-month period ended 30 June	<u>(3,635)</u>	<u>41,825</u>	<u>(3,635)</u>	<u>39,428</u>
<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Major shareholders	12,821	14,648	12,821	14,648
Subsidiaries	-	-	44,785	40,397
Other related parties	-	897	-	768
	12,821	15,545	57,606	55,813
<i>Less allowance for doubtful accounts</i>	<u>(12,821)</u>	<u>(7,047)</u>	<u>(43,961)</u>	<u>(39,023)</u>
Net	-	8,498	13,645	16,790
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
(Reversal of) Bad and doubtful debts expense for the				
- three-month period ended 30 June	<u>(1,826)</u>	<u>282</u>	<u>(4,648)</u>	<u>403</u>
- six-month period ended 30 June	<u>5,774</u>	<u>12,348</u>	<u>4,938</u>	<u>41,188</u>

Loans to related parties

Movements during the six-month periods ended 30 June 2019 of loans to related parties were as follows:

	Interest rate		Separate financial statements		
	31 December 2018	30 June 2019	31 December 2018	Increase Decrease	30 June 2019
<i>Short-term</i>	<i>(% per annum)</i>				
Subsidiaries	6.20	6.20	36,000	61,000 (3,000)	94,000
Total			36,000		94,000
Less allowance for doubtful accounts			<u>(33,000)</u>		<u>(58,000)</u>
Net			3,000		36,000

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	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expense of loans to related parties for the:		
- three-month period ended 30 June	3,000	-
- six-month period ended 30 June	25,000	-

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable - related parties</i>				
Other related parties	-	1	-	1
Total	-	1	-	1

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Other payables - related parties</i>				
Major shareholders	372	1,325	46	745
Subsidiaries	-	-	393	361
Other related parties	-	200	-	197
Total	372	1,525	439	1,303

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

Significant agreements with related parties

Short term loans agreements

As at 30 June 2019, the Company entered into short-term loans agreements with a subsidiary (“One World Media Co., Ltd”) amounting to Baht 94 million (*31 December 2018: Baht 33 million*). 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.

The Company entered into short-term loan agreement with a subsidiary (“Nation Global Edutainment Co., Ltd”) amounting to Baht 3 million (*31 December 2018: Baht 3 million*). The loans were promissory notes and repayable at call. The loan bears interest rate at the average Minimum Loan Rate (average MLR) of four local financial institutions. The Company fully received the loan during the second quarter of 2019.

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Other agreements

The Company entered into agreements with a subsidiary to rent warehouse spaces with office and inventory management. The Company will receive service fees as specified in the agreements.

The Company entered into agreements with subsidiaries to be granted services in relations to warehouse and human management. The Company committed to pay service fees as specified in the agreements.

4 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Within credit terms	6,770	10,592	1,503	6,290
Overdue:				
Less than 3 months	5,809	3,266	3,407	61
3 - 6 months	62	11	22	11
6 - 12 months	12	2,018	12	2,017
Over 12 months	31,293	32,952	31,418	33,035
	43,946	48,839	36,362	41,414
Less allowance for doubtful accounts	(31,299)	(34,972)	(31,424)	(35,046)
Net	12,647	13,867	4,938	6,368

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

	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
(Reversal of) Bad and doubtful debts expense for the				
- three-month period ended 30 June	(695)	1,427	(695)	902
- six-month period ended 30 June	3,673	41,737	(3,622)	39,355

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5 Investment in subsidiaries

Investments in subsidiaries as at 30 June 2019 and 31 December 2018, and dividend income from those investments for the six-month period 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			
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	Cost		Impairment		At cost - net		30 June 2019	30 June 2018
		(%)	(%)			30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018		
						(in thousand Baht)	(in thousand Baht)						
Nation Global Edutainment Co., Ltd.	Importing, publishing and distributing children's books for edutainment	99.74	99.74	200,000	200,000	163,410	163,410	163,410	163,410	-	-	-	-
One World Media Co., Ltd	Providing information service over offline and online media	99.99	99.99	60,000	60,000	60,000	60,000	13,614	13,614	46,386	46,386	-	-
Street Eyeball Co., Ltd	Representing content producers and advertising	99.98	-	1,000	-	1,000	-	-	-	1,000	-	-	-
Total						224,410	223,410	177,024	177,024	47,386	46,386	-	-

All subsidiaries were incorporated in Thailand. None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

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Acquisitions

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.

6 Goodwill

<i>Six-month period ended 30 June 2019</i>	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Cost		
At 1 January	5,614	-
Acquired through business combination	-	5,447
At 30 June	5,614	5,447
Impairment loss		
At 1 January	5,614	-
Impairment loss	-	5,447
At 30 June	5,614	5,447
Net book value		
At 30 June	-	-

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.

7 Intangible assets

During the second quarter of 2019, the Group tested the carrying amount of intangible assets in One World Media Co., Ltd. (OWM), the recoverable amount was based on its value in use, determined by discounting the future cash flows. The carrying amount of intangible assets in OWM is higher than the recoverable amount of Baht 15.94 million. The company recognised an impairment loss of Baht 15.94 million in the consolidated financial statements for the three-month and six-month periods ended 30 June 2019.

8 Non-current provision for employee benefits

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 during the three-month and six-month periods then ended in the consolidated and separate financial statement increased by an amount Baht 2.07 million and Baht 1.78 million, respectively.

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9 Segment information and disaggregation of revenue

	Consolidated financial statements					
	Publishing and services		New media		Total	
	2019	2018	2019	2018	2019	2018
<i>Three-month period ended 30 June</i>						
	<i>(in thousand Baht)</i>					
Information about reportable segments						
External revenues	12,504	23,276	4,035	1,250	16,539	24,526
Inter-segment revenue	2,138	4,752	1,147	13	3,285	4,765
Total revenue	14,642	28,028	5,182	1,263	19,824	29,291
Disaggregation of revenue						
Primary geographical markets						
Thailand	14,642	28,028	5,182	1,263	19,824	29,291
Total revenue	14,642	28,028	5,182	1,263	19,824	29,291
Major products/service lines						
Books	12,504	23,276	-	-	12,504	23,276
Advertising revenue	-	-	4,035	1,250	4,035	1,250
Others	2,138	4,752	1,147	13	3,285	4,765
Total revenue	14,642	28,028	5,182	1,263	19,824	29,291
Timing of revenue recognition						
At a point of time	14,642	28,028	1,481	-	16,123	28,028
Overtime	-	-	3,701	1,263	3,701	1,263
Total revenue	14,642	28,028	5,182	1,263	19,824	29,291
Segment loss before income tax	(5,699)	(12,518)	(41,987)	(15,754)	(47,686)	(28,272)

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<i>Six-month period ended 30 June</i>	Consolidated financial statements					
	Publishing and services		New media		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Information about reportable segments						
External revenues	21,115	44,222	6,080	1,250	27,195	45,472
Inter-segment revenue	6,477	9,050	1,410	13	7,887	9,063
Total revenue	27,592	53,272	7,490	1,263	35,082	54,535
Disaggregation of revenue						
Primary geographical markets						
Thailand	27,592	53,272	7,490	1,263	35,082	54,535
Total revenue	27,592	53,272	7,490	1,263	35,082	54,535
Major products/service lines						
Books	21,115	44,222	-	-	21,115	44,222
Advertising revenue	-	-	6,080	1,250	6,080	1,250
Others	6,477	9,050	1,410	13	7,887	9,063
Total revenue	27,592	53,272	7,490	1,263	35,082	54,535
Timing of revenue recognition						
At a point of time	27,592	53,272	1,481	-	29,073	53,272
Overtime	-	-	6,009	1,263	6,009	1,263
Total revenue	27,592	53,272	7,490	1,263	35,082	54,535
Segment loss before income tax	(15,888)	(68,268)	(71,071)	(15,754)	(86,959)	(84,022)
Segment assets as at 30 June / 31 December	305,347	390,098	37,164	59,250	342,511	449,348
Segment liabilities as at 30 June / 31 December	25,688	33,076	29,302	42,509	54,990	75,585

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	Separate financial statements Publishing and services	
	2019	2018
	<i>(in thousand Baht)</i>	
<i>Three-month period ended 30 June</i>		
Primary geographical markets		
Thailand	13,667	20,481
Total revenue	<u>13,667</u>	<u>20,481</u>
Major products/service lines		
Books	5,861	14,547
Others	7,806	5,934
Total revenue	<u>13,667</u>	<u>20,481</u>
Timing of revenue recognition		
At a point in time	13,667	20,481
Total revenue	<u>13,667</u>	<u>20,481</u>
<i>Six-month period ended 30 June</i>		
Primary geographical markets		
Thailand	22,604	40,699
Total revenue	<u>22,604</u>	<u>40,699</u>
Major products/service lines		
Books	10,501	29,537
Others	12,103	11,162
Total revenue	<u>22,604</u>	<u>40,699</u>
Timing of revenue recognition		
At a point in time	22,604	40,699
Total revenue	<u>22,604</u>	<u>40,699</u>

Under TFRS 15, 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.

Under TFRS 15, 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.

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Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	Consolidated financial statements		Separate financial statements	
	Contract assets	Contract liabilities <i>(in thousand Baht)</i>	Contract assets	Contract liabilities
At 1 January 2019	819	-	-	-
Recognised as revenue during the period	(9,314)	(1,454)	-	-
Advance received	-	1,981	-	-
Transfer to receivables	8,729	-	-	-
At 30 June 2019	234	527	-	-

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.

10 Loss per share

Basic loss per share

The calculations of basic loss per share for the three-month and six-month periods ended 30 June 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:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Three-month period ended 30 June</i>	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (basic)	(47,116)	(27,534)	(3,274)	(9,799)
Number of ordinary shares outstanding	365,549	170,048	365,549	170,048
Loss per share (basic) (in Baht)	(0.129)	(0.162)	(0.009)	(0.058)
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Six-month period ended 30 June</i>	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (basic)	(86,241)	(83,635)	(39,186)	(88,660)
Number of ordinary shares outstanding	365,549	170,048	365,549	170,048
Loss per share (basic) (in Baht)	(0.236)	(0.492)	(0.107)	(0.521)

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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 and six-month periods ended 30 June 2018 and the Company's warrants expired at 11 July 2018.

11 Commitments with non-related parties

<i>At 30 June 2019</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within one year	6,785	5,531
After one year but within five years	10,366	6,997
Total	<u>17,151</u>	<u>12,528</u>
<i>Other commitment</i>		
Bank guarantees	<u>10</u>	<u>10</u>

12 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*

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. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

b. TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. 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. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

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Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.

13 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>	
<i>Statement of comprehensive income Three-month period ended 30 June 2018</i>						
Administrative expenses	26,470	(7,157)	19,313	15,277	(6,752)	8,525
Impairment losses and other provisions	-	<u>7,157</u>	7,157	-	<u>6,752</u>	6,752
		<u>-</u>			<u>-</u>	
<i>Statement of comprehensive income Six-month period ended 30 June 2018</i>						
Administrative expenses	87,653	(59,533)	28,120	101,023	(85,990)	15,033
Impairment losses and other provisions	-	<u>59,533</u>	59,533	-	<u>85,990</u>	85,990
		<u>-</u>			<u>-</u>	