

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

Interim financial statements
for the three-month period ended
31 March 2015

and

Independent auditor's report
on review of interim financial information



KPMG Phoomchai Audit Ltd.
50th-51st Floors, Empire Tower
1 South Sathorn Road
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูมิภาค ไทย สอบบัญชี จำกัด
ชั้น 50-51 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้
กรุงเทพฯ 10120

Tel: +66 2677 2000
Fax: +66 2677 2222
www.kpmg.co.th

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position of Nation International Edutainment Public Company Limited and its subsidiaries, and of Nation International Edutainment Public Company Limited, respectively, as at 31 March 2015; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2015; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Patamavan Vadhanakul)
Certified Public Accountant
Registration No. 9832

KPMG Phoomchai Audit Ltd.
Bangkok
6 May 2015

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

		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Assets	<i>Note</i>	2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		147,592	222,491	140,406	218,161
Current investments		185,033	105,000	185,000	105,000
Trade accounts receivable	4	38,882	35,939	35,231	34,076
Accrued income	3	28,369	26,680	24,195	21,739
Other receivables	3	14,437	16,693	43,828	45,463
Short-term loan to related party	3	-	-	3,000	3,000
Inventories		231,642	232,547	37,320	38,019
Other current assets		1,775	1,693	1,148	1,132
Total current assets		647,730	641,043	470,128	466,590
<i>Non-current assets</i>					
Restricted deposit		969	861	-	-
Investments in subsidiaries	5	-	-	62,010	62,010
Leasehold improvements and equipment	6	3,974	4,613	3,024	3,359
Intangible assets	7	33,222	30,971	10,995	12,253
Deferred tax assets		29,633	29,605	6,825	6,837
Other non-current assets		4,226	4,340	3,603	3,603
Total non-current assets		72,024	70,390	86,457	88,062
Total assets		719,754	711,433	556,585	554,652

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Liabilities and equity		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Bank overdrafts		9,889	9,874	-	-
Trade accounts payable	3	133,644	139,570	33,511	41,393
Other payables	3	14,564	6,663	9,024	7,437
Accrued expenses	3	27,692	23,991	12,068	10,345
Income tax payable		3,985	2,934	3,578	2,527
Other current liabilities		4,306	4,517	3,406	3,419
Total current liabilities		194,080	187,549	61,587	65,121
Non-current liabilities					
Employee benefit obligations		7,086	6,769	3,959	3,729
Other non-current liabilities		833	848	105	105
Total non-current liabilities		7,919	7,617	4,064	3,834
Total liabilities		201,999	195,166	65,651	68,955
Equity					
Share capital					
Authorised share capital		259,250	259,250	259,250	259,250
Issued and paid-up share capital		170,048	170,048	170,048	170,048
Premium on ordinary shares		272,706	272,706	272,706	272,706
Warrants	8	2,614	2,279	2,614	2,279
Retained earnings					
Appropriated					
Legal reserve		10,550	10,300	10,550	10,300
Unappropriated		61,294	60,254	35,016	30,364
Equity attributable to owners					
of the Company		517,212	515,587	490,934	485,697
Non-controlling interests		543	680	-	-
Total equity		517,755	516,267	490,934	485,697
Total liabilities and equity		719,754	711,433	556,585	554,652

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

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three month period ended 31 March		Three month period ended 31 March	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
<i>Income</i>	3				
Revenue from sale of goods		31,794	34,708	10,247	11,408
Revenue from rendering of services		29,095	29,136	28,864	22,675
Interest income		2,622	3,108	2,671	2,088
Other income		2,634	1,943	3,279	2,488
Total income		66,145	68,895	45,061	38,659
<i>Expenses</i>					
Cost of sale of goods and rendering of services	3	40,935	47,879	24,054	23,970
Selling expenses	3	10,429	7,546	8,083	5,991
Administrative expenses	3	9,993	9,309	4,440	5,534
Management benefit expenses	3	2,199	1,740	2,199	990
Finance costs		238	269	145	144
Total expenses		63,794	66,743	38,921	36,629
Profit before income tax expense		2,351	2,152	6,140	2,030
Income tax expense		(1,198)	(523)	(1,238)	(291)
Profit for the period		1,153	1,629	4,902	1,739
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,153	1,629	4,902	1,739

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	Three month period ended		Three month period ended	
	31 March		31 March	
<i>Note</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to				
Owners of the Company	1,290	1,665	4,902	1,739
Non-controlling interests	(137)	(36)	-	-
Profit for the period	1,153	1,629	4,902	1,739
Total comprehensive income attributable to				
Owners of the Company	1,290	1,665	4,902	1,739
Non-controlling interests	(137)	(36)	-	-
Total comprehensive income for the period	1,153	1,629	4,902	1,739
Earnings per share (<i>in baht</i>)				
	<i>11</i>			
Basic earnings per share	0.01	0.01	0.03	0.01
Diluted earnings per share	0.01	0.01	0.02	0.01

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

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

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements								
	Note	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests	Total equity
					Legal reserve	Unappropriated			
<i>(in thousand Baht)</i>									
Three month period ended 31 March 2015									
Balance at 1 January 2015		170,048	272,706	2,279	10,300	60,254	515,587	680	516,267
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
Share-based payment transactions	8	-	-	335	-	-	335	-	335
<i>Total contributions by and distributions to owners of the Company</i>		-	-	335	-	-	335	-	335
Total transactions with owners, recorded directly in equity		-	-	335	-	-	335	-	335
Comprehensive income for the period									
Profit or loss		-	-	-	-	1,290	1,290	(137)	1,153
Total comprehensive income for the period		-	-	-	-	1,290	1,290	(137)	1,153
Transfer to legal reserve		-	-	-	250	(250)	-	-	-
Balance at 31 March 2015		170,048	272,706	2,614	10,550	61,294	517,212	543	517,755

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

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total Equity	
				Warrants	Legal reserve		Retained earnings Unappropriated
<i>(in thousand Baht)</i>							
Three month period ended 31 March 2015							
Balance at 1 January 2015		170,048	272,706	2,279	10,300	30,364	485,697
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Share-based payment transactions	8	-	-	335	-	-	335
<i>Total contributions by and distributions to owners of the Company</i>		-	-	335	-	-	335
Total transactions with owners, recorded directly in equity		-	-	335	-	-	335
Comprehensive income for the period							
Profit or loss		-	-	-	-	4,902	4,902
Total comprehensive income for the period		-	-	-	-	4,902	4,902
Transfer to legal reserve		-	-	-	250	(250)	-
Balance at 31 March 2015		170,048	272,706	2,614	10,550	35,016	490,934

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three month period ended 31 March		Three month period ended 31 March	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	1,153	1,629	4,902	1,739
<i>Adjustments for</i>				
Depreciation	639	633	335	398
Amortisation of intangible assets	4,664	5,755	1,586	2,553
Interest income	(2,622)	(3,108)	(2,671)	(2,088)
Finance costs	238	269	145	144
Bad and doubtful debts expense	817	388	-	12
Reversal of allowance for goods returned	(156)	(33)	(156)	(33)
Reversal of loss on decline in value of inventories	(1,860)	(2,747)	(468)	(474)
Employee benefit obligations	251	232	191	189
Share-based payment transactions	335	390	335	390
Income tax expense	1,198	523	1,238	291
	<u>4,657</u>	<u>3,931</u>	<u>5,437</u>	<u>3,121</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(3,604)	7,961	(999)	8,859
Accrued income	(1,689)	2,395	(2,456)	2,825
Other receivables	2,500	(275)	1,879	12,776
Inventories	2,765	(1,408)	1,167	(2,467)
Other current assets	(82)	5,255	(16)	3,859
Restricted deposit	(108)	-	-	-
Other non-current assets	114	(2,747)	-	(1,310)
Trade accounts payable	(5,926)	(5,220)	(7,882)	(6,510)
Other payables	3,294	(1,185)	1,587	(1,972)
Accrued expenses	3,701	216	1,723	90
Other current liabilities	(211)	(651)	(13)	(833)
Other non-current liabilities	(15)	(2)	-	-
Cash generated from operating activities	<u>5,396</u>	<u>8,270</u>	<u>427</u>	<u>18,438</u>
Income tax paid	<u>(175)</u>	<u>(589)</u>	<u>(175)</u>	<u>(402)</u>
Net cash from operating activities	<u>5,221</u>	<u>7,681</u>	<u>252</u>	<u>18,036</u>

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three month period ended		Three month period ended	
	31 March		31 March	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	2,378	3,108	2,427	2,088
Current investments	(80,033)	(100,000)	(80,000)	(100,000)
Cash inflow on refundable deposit guarantee for licencing auction	-	14,000	-	-
Purchase of equipment	-	(4)	-	-
Purchase of intangible assets	(2,308)	(2,620)	(328)	(187)
Net cash used in investing activities	(79,963)	(85,516)	(77,901)	(98,099)
<i>Cash flows from financing activities</i>				
Interest paid	(172)	(210)	(106)	(107)
Bank overdrafts	15	205	-	-
Net cash used in financing activities	(157)	(5)	(106)	(107)
Net decrease in cash and cash equivalents	(74,899)	(77,840)	(77,755)	(80,170)
Cash and cash equivalents at 1 January	222,491	305,873	218,161	303,185
Cash and cash equivalents at 31 March	147,592	228,033	140,406	223,015
<i>Non-cash transactions</i>				
Purchase of equipment	-	495	-	495
Purchase of intangible assets	4,607	-	-	-

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Related parties
4	Trade accounts receivable
5	Investments in subsidiaries
6	Leasehold improvements and equipment
7	Intangible assets
8	Warrants
9	Segment information
10	Income tax expense
11	Earnings per share
12	Commitments with non-related parties
13	Event after the reporting period

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issued by the Board of Directors on 6 May 2015.

1 General information

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

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 (77.03% shareholding), which was incorporated in Thailand.

The principal activities of the Company are importing, publishing and distributing local and foreign publications, production of TV programs and providing advertisements through TV media, digital media and character management. Details of the Company’s subsidiaries as at 31 March 2015 and 31 December 2014 are given in notes 5.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2014) *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 2014. 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 2014.

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 2014 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2015. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

(b) Functional and presentation currency

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

(c) *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 2014.

3 Related parties

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

Relationships with subsidiaries are described in notes 5. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Nation Multimedia Group Public Company Limited	Thailand	Parent, 77.03% shareholding, some common directors
Nation Broadcasting Corporation Public Company Limited	Thailand	71.26% shareholding by parent, some common directors
NBC Next Vision Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, 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	99.80% shareholding by parent, some common directors

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

Name of entities	Country of incorporation /nationality	Nature of relationships
Nation U Co., Ltd.	Thailand	90.00% shareholding by parent, some common directors
WPS (Thailand) Co., Ltd.	Thailand	84.50% shareholding by parent, some common directors
Nation University	Thailand	University, a license holding by Nation U Co., Ltd.
Yomiuri-Nation Information Service Limited	Thailand	45.00% shareholding by parent, some common directors

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

Transactions	Pricing policies
Revenue from sales of goods and rendering of services	General market price
Interest income on loan	Approximate loan rate of financial institutions
Other income	Negotiable rate
Cost of sales of goods and rendering of services	Negotiable rate which approximates market price
Selling and administrative expenses	Negotiable rate

Significant transactions for the three-month periods ended 31 March 2015 and 2014 with related parties were as follows:

Three-month period ended 31 March	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sales of goods and rendering of services	1,700	1,154	1,145	1,110
Cost of sales of goods and rendering of services	3,616	4,377	2,976	2,905
Selling and administrative expenses	4,587	1,404	4,168	1,211
Subsidiaries				
Revenue from sales of goods and rendering of services	-	-	7	7,438
Interest income on loan	-	-	50	51
Other income	-	-	1,073	239
Selling and administrative expenses	-	-	430	-
Joint venture				
Revenue from sales of goods and rendering of services	-	10,224	-	1,297
Cost of sales of goods and rendering of services	-	44	-	88
Interest income on loan	-	1,062	-	-
Other income	-	532	-	1,064
Selling and administrative expenses	-	599	-	419

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other related parties				
Revenue from sales of goods and rendering of services	3,080	2,822	3,425	2,735
Cost of sales of goods and rendering of services	16,217	23,203	9,488	14,185
Selling and administrative expenses	787	927	202	358
Key management personnel				
Key management personnel compensation				
Wages and salaries	2,051	1,382	2,051	786
Others	148	358	148	204
Total key management personnel Compensation	<u>2,199</u>	<u>1,740</u>	<u>2,199</u>	<u>990</u>

Balances as at 31 March 2015 and 31 December 2014 with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Parent	10,220	7,874	9,763	7,813
Subsidiary	-	-	3,535	3,522
Other related parties	3,147	645	3,135	545
	<u>13,367</u>	<u>8,519</u>	<u>16,433</u>	<u>11,880</u>
<i>Less</i> allowance for doubtful accounts	(67)	(67)	(67)	(67)
allowance for goods returned	(17)	(16)	(17)	(16)
Net	<u>13,283</u>	<u>8,436</u>	<u>16,349</u>	<u>11,797</u>
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			

Bad and doubtful debts expense for the
three-month period ended 31 March

-	-	-	-
---	---	---	---

<i>Accrued income - related party</i>	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Other related party	<u>30</u>	<u>54</u>	<u>30</u>	<u>54</u>

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

<i>Other receivables from related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	3,322	5,901	3,209	5,832
Subsidiaries	-	-	32,689	32,932
Other related parties	4,619	4,755	4,615	4,729
	7,941	10,656	40,513	43,493
<i>Less allowance for doubtful accounts</i>	-	-	-	-
Net	7,941	10,656	40,513	43,493
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 31 March	-	-	-	-

<i>Short-term loan to related party</i>	Interest rate		Consolidated		Separate	
			financial statements		financial statements	
	2015	2014	31	31	31	31
			March	December	March	December
			2015	2014	2015	2014
	<i>(% per annum)</i>					
	<i>(in thousand Baht)</i>					
Subsidiary	6.75	6.75	-	-	3,000	3,000

Movements during the three-month periods ended 31 March 2015 and 2014 of short-term loan to related party were as follows:

<i>Short-term loan to related party</i>	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 31 March</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	3,000	3,000
Increase	-	-	-	-
Decrease	-	-	-	-
At 31 March	-	-	3,000	3,000

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	18,448	18,893	3,813	4,601
Subsidiaries	-	-	3,586	3,768
Other related parties	101,652	105,647	14,098	18,848
Total	120,100	124,540	21,497	27,217

<i>Other payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	6,382	4,911	3,988	2,520
Subsidiaries	-	-	1,720	3,342
Other related parties	789	535	777	461
Total	7,171	5,446	6,485	6,323

<i>Accrued expenses - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	4,176	3,436	4,176	3,428
Subsidiaries	-	-	59	200
Other related parties	5,500	3,360	1,337	1,036
Total	9,676	6,796	5,572	4,664

Significant agreements with related parties

Short-term loan agreement

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

Other agreements

The Group entered into an agreement with a parent company to grant services in relation to management, operations, marketing and other services. The Group committed to pay the service fee as specified in the agreement.

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

4 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
		<i>(in thousand Baht)</i>			
Related parties	3	13,367	8,519	16,433	11,880
Other parties		47,104	48,391	21,466	25,020
Total		60,471	56,910	37,899	36,900
Less allowance for doubtful accounts		(8,897)	(8,123)	(624)	(624)
allowance for goods returned		(12,692)	(12,848)	(2,044)	(2,200)
Net		38,882	35,939	35,231	34,076
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 31 March		817	388	-	12

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	13,223	8,278	12,772	8,228
Overdue:				
Less than 3 months	1	125	12	32
3-6 months	36	23	32	606
6-12 months	23	-	1,904	2,571
Over 12 months	84	93	1,713	443
	13,367	8,519	16,433	11,880
Less allowance for doubtful accounts	(67)	(67)	(67)	(67)
allowance for goods returned	(17)	(16)	(17)	(16)
	13,283	8,436	16,349	11,797
Other parties				
Within credit terms	33,403	34,200	20,806	23,202
Overdue:				
Less than 3 months	4,233	5,450	660	1,389
3-6 months	-	1,268	-	417
6-12 months	3,229	2,955	-	12
Over 12 months	6,239	4,518	-	-
	47,104	48,391	21,466	25,020
Less allowance for doubtful accounts	(8,830)	(8,056)	(557)	(557)
allowance for goods returned	(12,675)	(12,832)	(2,027)	(2,184)
	25,599	27,503	18,882	22,279
Net	38,882	35,939	35,231	34,076

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

5 Investments in subsidiaries

<i>Three-month period ended 31 March</i>	Separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	62,010	26,964
Acquisitions	-	-
At 31 March	<u>62,010</u>	<u>26,964</u>

During the three month period ended 31 March 2015, there was no acquisitions and disposals of investments in subsidiaries.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

Investments in subsidiaries as at 31 March 2015 and 31 December 2014, and dividend income from those investments for the three-month periods ended 31 March 2015 and 2014 were as follows:

Subsidiaries	Type of business	Separate financial statements										Dividend income for the three-month period ended			
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		31	31		
		31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	March 2015	March 2014		
		(%)													
Nation Edutainment Co., Ltd.	Importing publishing and distributing cartoon's books for edutainment	99.99	99.99	41,250	41,250	25,364	25,364	-	-	25,364	25,364	-	-		
Nation Kids Co., Ltd. (ceased its operations since May 2014)	Production of TV programs and providing advertisements through TV media	99.99	99.99	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-		
Nine Be Bright Co., Ltd.	Education services	59.99	59.99	1,000	1,000	600	600	-	-	600	600	-	-		
Nation Global Edutainment Co., Ltd.	Importing, publishing and distributing children's books for edutainment	98.99	98.99	50,000	50,000	35,046	35,046	-	-	35,046	35,046	-	-		
Total						62,010	62,010	-	-	62,010	62,010	-	-		

All subsidiaries were incorporated in Thailand.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

6 Leasehold improvements and equipment

Acquisitions, disposals and transfers of leasehold improvements and equipment during the three-month periods ended 31 March 2015 and 2014 were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements			
	2015		2014	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Furniture, fixtures and office equipment	-	-	499	-
	<u>-</u>	<u>-</u>	<u>499</u>	<u>-</u>
<i>Three-month period ended 31 March</i>	Separate financial statements			
	2015		2014	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Furniture, fixtures and office equipment	-	-	495	-
	<u>-</u>	<u>-</u>	<u>495</u>	<u>-</u>

7 Intangible assets

During the three-month period ended 31 March 2015, the Group and the Company acquired intangible assets totalling Baht 6.91 million and Baht 0.33 million, respectively (*2014: Baht 2.62 million and Baht 0.19 million, respectively*).

8 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 4.25 million units.

On 15 August 2013, the Company granted the rights and notified the 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 three-month period ended 31 March 2015 were Baht 0.33 million and Baht 0.33 million for the consolidated and separate financial statements, respectively (*2014: Baht 0.39 million and Baht 0.39 million, respectively*).

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

Movements during the three-month periods ended 31 March 2015 and 2014 of warrants were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements/ Separate financial statements			
	2015		2014	
	Number of warrant	Grant date fair value <i>(thousand units /in thousand Baht)</i>	Number of warrant	Grant date fair value
At 1 January	832	2,279	265	722
Issued warrants during the period	230	431	407	481
Forfeited warrants during the period	(108)	(96)	(266)	(91)
At 31 March	954	2,614	406	1,112

NINE-W1

The outstanding unexercised warrants as at 31 March 2015 were as follow:

Unexercised warrants as at 1 January 2015	Issued warrants <i>(million units)</i>	Exercised warrants	Unexercised warrants as at 31 March 2015	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 a par value of Baht 1 per share) to Baht 259.25 million (divided into 259,250,000 ordinary shares at a par value of Baht 1 per share) by issuing of not exceeding 174,250,000 ordinary shares at a par value of Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

9 Segment information

Information about reportable segments

<i>Three-month period ended 31 March</i>	Publishing		TV Media		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in thousand Baht)</i>							
External revenue	31,786	33,109	11,298	11,433	17,805	19,302	60,889	63,844
Other income	2,055	3,086	-	-	3,201	1,965	5,256	5,051
Total segment revenue	<u>33,841</u>	<u>36,195</u>	<u>11,298</u>	<u>11,433</u>	<u>21,006</u>	<u>21,267</u>	<u>66,145</u>	<u>68,895</u>
Segment profit (loss) before income tax	<u>(1,982)</u>	<u>111</u>	<u>2,941</u>	<u>587</u>	<u>1,392</u>	<u>1,454</u>	<u>2,351</u>	<u>2,152</u>
Reportable segment assets as at 31 March / 31 December	<u>473,820</u>	<u>482,151</u>	<u>96,534</u>	<u>71,286</u>	<u>149,400</u>	<u>157,996</u>	<u>719,754</u>	<u>711,433</u>

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

10 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 applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate in respect of continuing operations for the three-month ended 31 March 2015 was 50.96% (2014: 24.30%). This change in effective tax rate was caused mainly due to the unrecognised deferred tax assets on temporary differences arising on tax loss carry forwards, which will expire in 2020 as management considered that future taxable profits of subsidiaries would not be available against which they could be utilised.

11 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2015 and 2014 were based on the profit for the periods attributable to ordinary shareholders of the Company and number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	1,290	1,665	4,902	1,739
Number of ordinary shares outstanding	170,048	170,048	170,048	170,048
Earnings per share (basic) (in Baht)	0.01	0.01	0.03	0.01

Diluted earnings per share

The calculations of diluted earning per share for the three-month periods ended 31 March 2015 and 2014 were based on profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	1,290	1,665	4,902	1,739
Number of ordinary shares outstanding (basic)	170,048	170,048	170,048	170,048
Effect of exercises of share options	38,365	-	38,365	-
Number of ordinary share outstanding (diluted)	208,413	170,048	208,413	170,048
Earning per share (diluted) (in Baht)	0.01	0.01	0.02	0.01

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

12 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	5,936	6,292	2,561	2,561
After one year but within five years	6,382	7,697	4,357	4,997
Total	12,318	13,989	6,918	7,558
<i>Other commitment</i>				
Bank guarantees	1,957	2,648	1,194	1,844

- a) The Company entered into lease and service agreements for its office premises and facilities with a local company for the period of 3 years, commencing from 1 December 2014 to 30 November 2017 with an option for renewal.
- b) The subsidiary entered into the warehouse rental agreements with two local companies. The subsidiary agreed to pay rental fees at the rate specified in the agreements. The agreements had periods for 1 year and 3 years, expiring on 9 September 2015 and 31 December 2016, respectively.

13 Event after the reporting period

At the annual general meeting of the shareholders of the Company held on 28 April 2015, the shareholders approved the appropriation of dividends from 2014 operating results of Baht 0.07 per share, amounting to Baht 11.90 million. The dividends will be paid to the shareholders in May 2015.