

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

Interim financial statements
For the three-month and nine-month periods ended
30 September 2015

and

Independent auditor's report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position of Nation International Edutainment Public Company Limited and its subsidiaries, and of Nation International Edutainment Public Company Limited, respectively, as at 30 September 2015; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, and the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 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 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
4 November 2015

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

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	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		97,227	222,491	93,044	218,161
Current investments		225,270	105,000	225,200	105,000
Trade accounts receivable	4	47,535	35,939	42,512	34,076
Accrued income	3	15,777	26,680	12,047	21,739
Other receivables	3	9,041	16,693	43,198	45,463
Short-term loan to related party	3	-	-	3,000	3,000
Inventories		222,932	232,547	33,622	38,019
Other current assets		1,382	1,693	859	1,132
Total current assets		619,164	641,043	453,482	466,590
<i>Non-current assets</i>					
Restricted deposit		754	861	-	-
Investments in subsidiaries	5	-	-	62,010	62,010
Leasehold improvements and equipment	6	4,019	4,613	3,287	3,359
Intangible assets	7	24,637	30,971	8,404	12,253
Deferred tax assets		29,925	29,605	7,300	6,837
Other non-current assets		4,379	4,340	3,603	3,603
Total non-current assets		63,714	70,390	84,604	88,062
Total assets		682,878	711,433	538,086	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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Liabilities and equity		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Bank overdrafts		9,909	9,874	-	-
Trade accounts payable	3	129,533	139,570	27,593	41,393
Other payables	3	15,944	6,663	10,128	7,437
Accrued expenses	3	18,376	23,991	9,681	10,345
Income tax payable		573	2,934	573	2,527
Other current liabilities		4,750	4,517	3,876	3,419
Total current liabilities		179,085	187,549	51,851	65,121
<i>Non-current liabilities</i>					
Employee benefit obligations		7,798	6,769	4,476	3,729
Other non-current liabilities		853	848	105	105
Total non-current liabilities		8,651	7,617	4,581	3,834
Total liabilities		187,736	195,166	56,432	68,955
<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
Premium on ordinary shares		272,706	272,706	272,706	272,706
Warrants	8	3,418	2,279	3,418	2,279
Retained earnings					
Appropriated					
Legal reserve		10,650	10,300	10,650	10,300
Unappropriated		38,107	60,254	24,832	30,364
Equity attributable to owners					
of the Company		494,929	515,587	481,654	485,697
Non-controlling interests		213	680	-	-
Total equity		495,142	516,267	481,654	485,697
Total liabilities and equity		682,878	711,433	538,086	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		Three month period ended	
		30 September		30 September	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
<i>Income</i>	3				
Revenue from sales of goods		29,722	27,140	11,224	11,756
Revenue from rendering of services		22,533	24,302	22,171	24,061
Interest income		2,026	4,132	2,076	3,034
Other income		1,708	1,149	2,424	1,722
Total income		55,989	56,723	37,895	40,573
<i>Expenses</i>					
Cost of sales of goods and rendering of services	3	36,995	37,110	22,698	23,307
Selling expenses	3	9,707	6,492	5,968	5,507
Administrative expenses	3	9,360	7,488	4,176	4,478
Management benefit expenses	3	2,200	1,277	2,200	787
Finance costs		232	206	155	148
Total expenses		58,494	52,573	35,197	34,227
Profit (loss) before income tax expense		(2,505)	4,150	2,698	6,346
Income tax expense		(608)	(1,338)	(560)	(1,242)
Profit (loss) for the period		(3,113)	2,812	2,138	5,104
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(3,113)	2,812	2,138	5,104

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	
	30 September		30 September	
<i>Note</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to				
Owners of the Company	(2,921)	2,801	2,138	5,104
Non-controlling interests	(192)	11	-	-
Profit (loss) for the period	<u>(3,113)</u>	<u>2,812</u>	<u>2,138</u>	<u>5,104</u>
Total comprehensive income attributable to				
Owners of the Company	(2,921)	2,801	2,138	5,104
Non-controlling interests	(192)	11	-	-
Total comprehensive income for the period	<u>(3,113)</u>	<u>2,812</u>	<u>2,138</u>	<u>5,104</u>
Earnings (loss) per share <i>(in Baht)</i>	<i>11</i>			
Basic earnings (loss) per share	<u>(0.017)</u>	<u>0.016</u>	<u>0.013</u>	<u>0.030</u>
Diluted earnings (loss) per share	<u>(0.017)</u>	<u>0.016</u>	<u>0.013</u>	<u>0.030</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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Nine month period ended 30 September		Nine month period ended 30 September	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
<i>Income</i>	3				
Revenue from sales of goods		94,044	87,400	33,364	39,380
Revenue from rendering of services		71,473	83,111	70,549	72,618
Interest income		6,642	9,832	6,773	6,680
Other income		6,118	4,814	8,471	6,378
Total income		178,277	185,157	119,157	125,056
<i>Expenses</i>					
Cost of sales of goods and rendering of services	3	118,328	130,069	70,035	76,097
Selling expenses	3	29,683	20,547	20,409	16,150
Administrative expenses	3	31,393	27,370	13,168	16,974
Management benefit expenses	3	6,598	5,811	6,598	3,971
Finance costs		746	735	480	465
Total expenses		186,748	184,532	110,690	113,657
Profit (loss) before income tax expense		(8,471)	625	8,467	11,399
Income tax expense		(1,889)	(1,766)	(1,745)	(2,521)
Profit (loss) for the period		(10,360)	(1,141)	6,722	8,878
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(10,360)	(1,141)	6,722	8,878

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	Nine month period ended		Nine month period ended	
	30 September		30 September	
<i>Note</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to				
Owners of the Company	(9,893)	(1,129)	6,722	8,878
Non-controlling interests	(467)	(12)	-	-
Profit (loss) for the period	<u>(10,360)</u>	<u>(1,141)</u>	<u>6,722</u>	<u>8,878</u>
Total comprehensive income attributable to				
Owners of the Company	(9,893)	(1,129)	6,722	8,878
Non-controlling interests	(467)	(12)	-	-
Total comprehensive income for the period	<u>(10,360)</u>	<u>(1,141)</u>	<u>6,722</u>	<u>8,878</u>
Earnings (loss) per share <i>(in Baht)</i>	<i>11</i>			
Basic earnings (loss) per share		(0.058)	(0.007)	0.040
Diluted earnings (loss) per share		(0.058)	(0.007)	0.035
		<u>(0.058)</u>	<u>(0.007)</u>	<u>0.035</u>

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements								
	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>									
Nine month period ended 30 September 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	-	-	1,169	-	-	1,169	-	1,169
Dividends to owners of the Company	12	-	-	-	-	(17,004)	(17,004)	-	(17,004)
Total contributions by and distributions to owners of the Company		-	-	1,169	-	(17,004)	(15,835)	-	(15,835)
Total transactions with owners, recorded directly in equity		-	-	1,169	-	(17,004)	(15,835)	-	(15,835)
Comprehensive income for the period									
Profit or loss		-	-	-	-	(1,129)	(1,129)	(12)	(1,141)
Total comprehensive income for the period		-	-	-	-	(1,129)	(1,129)	(12)	(1,141)
Transfer to legal reserve		-	-	-	800	(800)	-	-	-
Balance at 30 September 2014		170,048	272,706	1,891	10,300	57,398	512,343	320	512,663

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>									
Nine month period ended 30 September 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	-	-	1,139	-	-	1,139	-	1,139
Dividends to owners of the Company	12	-	-	-	-	(11,904)	(11,904)	-	(11,904)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	1,139	-	(11,904)	(10,765)	-	(10,765)
Total transactions with owners, recorded directly in equity		-	-	1,139	-	(11,904)	(10,765)	-	(10,765)
Comprehensive income for the period									
Profit or loss		-	-	-	-	(9,893)	(9,893)	(467)	(10,360)
Total comprehensive income for the period		-	-	-	-	(9,893)	(9,893)	(467)	(10,360)
Transfer to legal reserve		-	-	-	350	(350)	-	-	-
Balance at 30 September 2015		170,048	272,706	3,418	10,650	38,107	494,929	213	495,142

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	Retained earnings Legal reserve Unappropriated		
<i>(in thousand Baht)</i>							
Nine month period ended 30 September 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	-	-	1,169	-	-	1,169
Dividends to owners of the Company	12	-	-	-	-	(17,004)	(17,004)
Total contributions by and distributions to owners of the Company		-	-	1,169	-	(17,004)	(15,835)
Total transactions with owners, recorded directly in equity		-	-	1,169	-	(17,004)	(15,835)
Comprehensive income for the period							
Profit or loss		-	-	-	-	8,878	8,878
Total comprehensive income for the period		-	-	-	-	8,878	8,878
Transfer to legal reserve		-	-	-	800	(800)	-
Balance at 30 September 2014		170,048	272,706	1,891	10,300	23,985	478,930

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	Retained earnings Unappropriated	
<i>(in thousand Baht)</i>							
Nine month period ended 30 September 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	-	-	1,139	-	-	1,139
Dividends to owners of the Company	12	-	-	-	-	(11,904)	(11,904)
Total contributions by and distributions to owners of the Company		-	-	1,139	-	(11,904)	(10,765)
Total transactions with owners, recorded directly in equity		-	-	1,139	-	(11,904)	(10,765)
Comprehensive income for the period							
Profit or loss		-	-	-	-	6,722	6,722
Total comprehensive income for the period		-	-	-	-	6,722	6,722
Transfer to legal reserve		-	-	-	350	(350)	-
Balance at 30 September 2015		170,048	272,706	3,418	10,650	24,832	481,654

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	Nine month period ended		Nine month period ended	
	30 September		30 September	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(10,360)	(1,141)	6,722	8,878
<i>Adjustments for</i>				
Depreciation	1,617	1,711	1,003	1,032
Amortisation of intangible assets	16,626	15,137	4,871	7,592
Interest income	(6,642)	(9,832)	(6,773)	(6,680)
Finance costs	746	735	480	465
Bad and doubtful debts expense	4,005	547	-	12
Reversal of allowance for goods returned	(5,897)	(36)	(822)	(37)
Loss on decline in value of inventories	1,542	1,724	1,252	1,318
Gain on disposal of equipment	(59)	-	(59)	-
Employee benefit obligations	792	697	603	570
Share-based payment transactions	1,139	1,169	1,139	1,169
Income tax expense	1,889	1,766	1,745	2,521
	<u>5,398</u>	<u>12,477</u>	<u>10,161</u>	<u>16,840</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(9,704)	36,604	(7,614)	55,557
Accrued income	10,903	4,940	9,692	3,241
Other receivables	8,890	375	3,499	9,501
Inventories	8,073	(650)	3,145	(110)
Other current assets	311	6,528	273	5,164
Restricted deposit	107	-	-	-
Other non-current assets	(39)	(1,205)	-	(1,310)
Trade accounts payable	(10,037)	(25,053)	(13,800)	(51,129)
Other payables	4,254	(4,504)	1,430	(4,552)
Accrued expenses	(5,615)	(1,219)	(664)	1,521
Other current liabilities	233	(6,316)	457	(4,291)
Other non-current liabilities	5	(12)	-	10
Cash generated from operating activities	<u>12,779</u>	<u>21,965</u>	<u>6,579</u>	<u>30,442</u>
Income tax paid	<u>(4,570)</u>	<u>(4,530)</u>	<u>(4,162)</u>	<u>(3,415)</u>
Net cash from operating activities	<u>8,209</u>	<u>17,435</u>	<u>2,417</u>	<u>27,027</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	
	Nine month period ended		Nine month period ended	
	30 September		30 September	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	5,871	9,832	6,006	6,680
Current investments	(120,270)	(49,924)	(120,200)	(50,000)
Cash inflow on refundable deposit guarantee for licencing auction	-	14,000	-	-
Purchase of equipment	(78)	(355)	(78)	(348)
Purchase of intangible assets	(6,618)	(8,427)	(1,022)	(1,958)
Net cash used in investing activities	(121,095)	(34,874)	(115,294)	(45,626)
<i>Cash flows from financing activities</i>				
Interest paid	(509)	(558)	(336)	(351)
Dividends paid to owners of the Company	(11,904)	(17,004)	(11,904)	(17,004)
Bank overdrafts	35	95	-	-
Net cash used in financing activities	(12,378)	(17,467)	(12,240)	(17,355)
Net decrease in cash and cash equivalents	(125,264)	(34,906)	(125,117)	(35,954)
Cash and cash equivalents at 1 January	222,491	305,873	218,161	303,185
Cash and cash equivalents at 30 September	97,227	270,967	93,044	267,231
<i>Non-cash transactions</i>				
Payables for purchase of equipment	1,353	1,013	1,261	1,013
Payables for purchase of intangible assets	3,674	-	-	-

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2015 (Unaudited)

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Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 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 4 November 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 (76.60% shareholding), which was incorporated in Thailand.

The principal activities of the Company are importing, publishing and distributing local and foreign publications, production of TV programme and providing advertisements through TV media, digital media and character management. Details of the Company’s subsidiaries as at 30 September 2015 and 31 December 2014 are given in note 5.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 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 and nine-month periods ended 30 September 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 note 5. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group
Nation Multimedia Group Public Company Limited	Thailand	Parent, 76.60% 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	99.90% shareholding by parent, some common directors

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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.
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:

Transactions	Pricing policies
Revenue from sales of goods and rendering of services	General market price
Cost of sales 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
Selling and administrative expenses	Negotiable rate

Significant transactions for the three-month and nine-month periods ended 30 September 2015 and 2014 with related parties were as follows:

Three-month period ended 30 September	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	6,890	1,496	6,169	1,411
Cost of sales of goods and rendering of services	3,750	3,515	3,513	3,109
Sale of equipment	467	-	467	-
Selling and administrative expenses	1,315	1,431	940	1,172
Subsidiaries				
Revenue from sales of goods and rendering of services	-	-	63	-
Interest income on loan	-	-	49	51
Other income	-	-	1,071	162
Selling and administrative expenses	-	-	364	300

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	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 September</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Joint venture				
Revenue from sales of goods and rendering of services	-	6,148	-	7
Cost of sales of goods and rendering of services	-	3	-	5
Interest income on loan	-	1,150	-	-
Other income	-	458	-	915
Selling and administrative expenses	-	490	-	387
Other related parties				
Revenue from sales of goods and rendering of services	4,804	949	4,675	949
Cost of sales of goods and rendering of services	13,460	15,657	7,466	9,252
Purchase of equipment	1,200	500	1,200	500
Selling and administrative expenses	1,767	863	716	860
Key management personnel				
Key Management personnel compensation				
Wages and salaries	2,051	1,226	2,051	760
Others	149	51	149	27
Total key management personnel compensation	<u>2,200</u>	<u>1,277</u>	<u>2,200</u>	<u>787</u>
	Consolidated		Separate	
	financial statements		financial statements	
<i>Nine-month period ended 30 September</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sales of goods and rendering of services	9,231	4,155	7,887	3,824
Cost of sales of goods and rendering of services	10,508	11,487	9,507	8,977
Sale of equipment	467	-	467	-
Selling and administrative expenses	7,557	4,444	6,410	3,662
Subsidiaries				
Revenue from sales of goods and rendering of services	-	-	70	11,418
Interest income on loan	-	-	148	152
Other income	-	-	3,219	565
Selling and administrative expenses	-	-	1,295	300

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<i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Joint venture				
Revenue from sales of goods and rendering of services	-	22,427	-	1,888
Cost of sales of goods and rendering of services	-	409	-	817
Interest income on loan	-	3,285	-	-
Other income	-	1,446	-	2,891
Selling and administrative expenses	-	1,595	-	1,238
Other related parties				
Revenue from sales of goods and rendering of services	10,862	4,773	10,635	4,678
Cost of sales of goods and rendering of services	43,034	53,926	25,158	33,157
Purchase of equipment	1,200	500	1,200	500
Selling and administrative expenses	3,250	2,377	1,096	1,487
Key management personnel				
Key Management personnel compensation				
Wages and salaries	6,153	5,350	6,153	3,656
Others	445	461	445	315
Total key management personnel compensation	<u>6,598</u>	<u>5,811</u>	<u>6,598</u>	<u>3,971</u>

Balances as at 30 September 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	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Parent	16,106	7,874	15,485	7,813
Subsidiary	-	-	3,603	3,522
Other related parties	4,913	645	4,647	545
	<u>21,019</u>	<u>8,519</u>	<u>23,735</u>	<u>11,880</u>
<i>Less</i> allowance for doubtful accounts	(67)	(67)	(67)	(67)
allowance for goods returned	(43)	(16)	(43)	(16)
Net	<u>20,909</u>	<u>8,436</u>	<u>23,625</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 30 September	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
nine-month period ended 30 September	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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<i>Accrued income - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Parent	20	-	20	-
Other related parties	90	54	90	54
Total	110	54	110	54

<i>Other receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Parent	896	5,901	740	5,832
Subsidiaries	-	-	35,987	32,932
Other related parties	3,090	4,755	3,046	4,729
	3,986	10,656	39,773	43,493
<i>Less allowance for doubtful accounts</i>	-	-	-	-
Net	3,986	10,656	39,773	43,493

	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 30 September	-	-	-	-
nine-month period ended 30 September	-	-	-	-

<i>Short-term loan to related party</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2015	2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiary	6.62	6.75	-	-	3,000	3,000

Movements during the nine-month periods ended 30 September 2015 and 2014 of short-term loan to related party were as follows:

<i>Short-term loan to related party Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	3,000	3,000
Increase	-	-	-	-
Decrease	-	-	-	-
At 30 September	-	-	3,000	3,000

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<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	18,266	18,893	3,343	4,601
Subsidiaries	-	-	3,584	3,768
Other related parties	99,639	105,647	9,640	18,848
Total	117,905	124,540	16,567	27,217

<i>Other payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	7,567	4,911	4,817	2,520
Subsidiaries	-	-	710	3,342
Other related parties	2,335	535	2,335	461
Total	9,902	5,446	7,862	6,323

<i>Accrued expenses - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	1,888	3,436	1,888	3,428
Subsidiaries	-	-	-	200
Other related parties	1,996	3,360	851	1,036
Total	3,884	6,796	2,739	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. This loan bears interest rate at the average Minimum Loan Rate (average MLR) of four local financial institutions.

Other agreements

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

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

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4 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2015	31 December 2014	30 September 2015	31 December 2014
		<i>(in thousand Baht)</i>			
Related parties	3	21,019	8,519	23,735	11,880
Other parties		42,220	48,391	20,779	25,020
Total		63,239	56,910	44,514	36,900
Less allowance for doubtful accounts		(8,753)	(8,123)	(624)	(624)
allowance for goods returned		(6,951)	(12,848)	(1,378)	(2,200)
Net		47,535	35,939	42,512	34,076
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 30 September		503	108	-	-
nine-month period ended 30 September		4,005	547	-	12

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	18,324	8,278	17,685	8,228
Overdue:				
Less than 3 months	2,435	125	2,254	32
3 - 6 months	148	23	155	606
6 - 12 months	6	-	24	2,571
Over 12 months	106	93	3,617	443
	21,019	8,519	23,735	11,880
Less allowance for doubtful accounts	(67)	(67)	(67)	(67)
allowance for goods returned	(43)	(16)	(43)	(16)
	20,909	8,436	23,625	11,797

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	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	28,536	34,200	18,402	23,202
Overdue:				
Less than 3 months	7,607	5,450	2,296	1,389
3 - 6 months	64	1,268	64	417
6 - 12 months	17	2,955	17	12
Over 12 months	5,996	4,518	-	-
	42,220	48,391	20,779	25,020
Less allowance for doubtful accounts	(8,686)	(8,056)	(557)	(557)
allowance for goods returned	(6,908)	(12,832)	(1,335)	(2,184)
	26,626	27,503	18,887	22,279
Net	47,535	35,939	42,512	34,076

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

5 Investments in subsidiaries

<i>Nine-month period ended 30 September</i>	Separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	62,010	26,964
Acquisitions	-	-
At 30 September	62,010	26,964

During the nine-month period ended 30 September 2015, there were no acquisitions and disposals of investments in subsidiaries.

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Investments in subsidiaries as at 30 September 2015 and 31 December 2014, and dividend income from those investments for the nine-month periods ended 30 September 2015 and 2014 were as follows:

		Separate financial statements										Dividend income for the nine-month period ended	
Subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		30	30
		30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	September 2015	September 2014
		(%)						(in thousand Baht)					
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. (ceased its operations in October 2015)	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.

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6 Leasehold improvements and equipment

Acquisitions, disposals and transfers of leasehold improvements and equipment during the nine-month periods ended 30 September 2015 and 2014 were as follows:

<i>Nine-month period ended 30 September</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	231	-	868	-
Vehicles	1,200	408	500	-
Total	1,431	408	1,368	-

<i>Nine-month period ended 30 September</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	139	-	861	-
Vehicles	1,200	408	500	-
Total	1,339	408	1,361	-

7 Intangible assets

During the nine-month period ended 30 September 2015, the Group and the Company acquired intangible assets totalling Baht 10.29 million and Baht 1.02 million, respectively (*2014: Baht 8.43 million and Baht 1.96 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 terms and conditions for exercising the rights to the directors, management and/or employees of the Company and/or its subsidiaries.

The expenses for share-based payment transactions for the nine-month period ended 30 September 2015 were Baht 1.14 million and Baht 1.14 million for the consolidated and separate financial statements, respectively (*2014: Baht 1.17 million and Baht 1.17 million, respectively*).

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Movements during the nine-month periods ended 30 September 2015 and 2014 of warrants were as follows:

<i>Nine-month period ended 30 September</i>	Consolidated financial statements / Separate financial statements			
	2015		2014	
	Number of warrants	Grant date fair value <i>(thousand units /in thousand Baht)</i>	Number of warrants	Grant date fair value
At 1 January	832	2,279	265	722
Issued warrants during the period	523	1,265	869	1,443
Forfeited warrants during the period	(108)	(126)	(444)	(274)
At 30 September	1,247	3,418	690	1,891

NINE-W1

The outstanding unexercised warrants as at 30 September 2015 were as follows:

Unexercised warrants as at 1 January 2015	Issued warrants <i>(million units)</i>	Exercised warrants	Unexercised warrants as at 30 September 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 subscribed 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.

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9 Segment information

Information about reportable segments

<i>Nine-month period ended 30 September</i>	Publishing		TV Media		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in thousand Baht)</i>							
External revenue	93,977	87,298	15,659	26,601	55,881	56,612	165,517	170,511
Other income	1,919	4,999	6,582	5,086	4,259	4,561	12,760	14,646
Total segment revenue	<u>95,896</u>	<u>92,297</u>	<u>22,241</u>	<u>31,687</u>	<u>60,140</u>	<u>61,173</u>	<u>178,277</u>	<u>185,157</u>
Segment profit (loss) before income tax	<u>(17,529)</u>	<u>(13,292)</u>	<u>3,421</u>	<u>5,960</u>	<u>5,637</u>	<u>7,957</u>	<u>(8,471)</u>	<u>625</u>
Reportable segment assets as at 30 September / 31 December	<u>264,707</u>	<u>285,042</u>	<u>314,999</u>	<u>303,287</u>	<u>56,167</u>	<u>62,915</u>	<u>635,873</u>	<u>651,244</u>

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Reconciliation of reportable segments assets

	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>	
Assets		
Total assets for reportable segments	635,873	651,244
Other unallocated amounts	47,005	60,189
Consolidated total assets	<u>682,878</u>	<u>711,433</u>

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 and the Company's effective tax rates in respect of continuing operations for the nine-month ended 30 September 2015 were 22.30% and 20.61%, respectively (2014: 282.56.% and 22.12%, respectively). These changes in effective tax rates were mainly caused by the unrecognised deferred tax assets on temporary differences arising from tax loss carry forward, 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 (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2015 and 2014 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and number of ordinary shares outstanding during the periods as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 September</i>	2015	2014	2015	2014
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(2,921)</u>	<u>2,801</u>	<u>2,138</u>	<u>5,104</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>(0.017)</u>	<u>0.016</u>	<u>0.013</u>	<u>0.030</u>
	Consolidated		Separate	
	financial statements		financial statements	
<i>Nine-month period ended 30 September</i>	2015	2014	2015	2014
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(9,893)</u>	<u>(1,129)</u>	<u>6,722</u>	<u>8,878</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>(0.058)</u>	<u>(0.007)</u>	<u>0.040</u>	<u>0.052</u>

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Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the three-month and nine-month periods ended 30 September 2015 and 2014 were based on profit (loss) 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:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>Three-month period ended 30 September</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(2,921)</u>	<u>2,801</u>	<u>2,138</u>	<u>5,104</u>
Number of ordinary shares outstanding (basic)	170,048	170,048	170,048	170,048
Effect of exercise of shares options	-	-	-	-
Number of ordinary shares outstanding (diluted)	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.017)</u>	<u>0.016</u>	<u>0.013</u>	<u>0.030</u>

There was no potential dilution in earnings per share, because the average share price during the three-month period ended 30 September 2015 was lower than the exercise price of the warrants.

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>Nine-month period ended 30 September</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributed to ordinary shareholders of the Company (basic)	<u>(9,893)</u>	<u>(1,129)</u>	<u>6,722</u>	<u>8,878</u>
Number of ordinary shares outstanding (basic)	170,048	170,048	170,048	170,048
Effect of exercise of shares options	-	-	20,338	-
Number of ordinary shares outstanding (diluted)	<u>170,048</u>	<u>170,048</u>	<u>190,386</u>	<u>170,048</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.058)</u>	<u>(0.007)</u>	<u>0.035</u>	<u>0.052</u>

12 Dividends

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

At the annual general meeting of the shareholders of the Company held on 2 April 2014, the shareholders approved the appropriation of dividends from the 2013 operating results of Baht 0.10 per share, amounting to Baht 17.00 million. The dividends were paid to the shareholders in April 2014.

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13 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	5,261	6,292	2,561	2,561
After one year but within five years	3,751	7,697	3,076	4,997
Total	9,012	13,989	5,637	7,558
<i>Other commitment</i>				
Bank guarantees	1,447	2,648	694	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) A subsidiary entered into a warehouse rental agreement with a local company. The subsidiary agreed to pay rental fee at the rate as specified in the agreement. The agreement has period 3 years, expiring on 31 December 2016.

14 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016

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TFRS	Topic	Year effective
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016

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