

Nation International Edutainment Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2021

## Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Nation International Edutainment Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Nation International Edutainment Public Company Limited and its subsidiaries as at 30 September 2021, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Nation International Edutainment Public Company Limited for the same periods (collectively "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*.



Pornanan Kitjanawanchai  
Certified Public Accountant (Thailand) No. 7792

EY Office Limited  
Bangkok: 4 November 2021

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2021</u>	<u>31 December 2020</u>	<u>30 September 2021</u>	<u>31 December 2020</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		254,045	173,940	247,717	129,703
Trade and other receivables	3	20,909	67,474	33,394	73,193
Inventories		17,635	15,089	10,433	8,051
Other current financial assets	5	49,159	65	49,159	65
Other current assets		6,937	8,630	105	1,545
<b>Total current assets</b>		<b>348,685</b>	<b>265,198</b>	<b>340,808</b>	<b>212,557</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	-	70,008
Investment property	7	-	72,412	-	-
Building improvements and equipment	8	9,433	8,752	9,281	8,506
Right-of-use assets	9	12,624	12,657	12,624	12,657
Intangible assets	10	8,967	7,390	8,425	6,177
Other non-current financial assets	5	18,901	11,709	18,901	11,709
Other non-current assets		1,913	1,766	1,912	1,694
<b>Total non-current assets</b>		<b>51,838</b>	<b>114,686</b>	<b>51,143</b>	<b>110,751</b>
<b>Total assets</b>		<b>400,523</b>	<b>379,884</b>	<b>391,951</b>	<b>323,308</b>

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

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	11	39,223	34,194	17,818	15,480
Current portion of lease liabilities	12	3,734	3,352	3,734	3,352
Income tax payable		1,993	558	1,993	-
Provision for sale return		8,416	5,361	7,881	4,699
Other current liabilities		1,767	2,671	1,651	2,465
<b>Total current liabilities</b>		<b>55,133</b>	<b>46,136</b>	<b>33,077</b>	<b>25,996</b>
<b>Non-current liabilities</b>					
Lease liabilities, net of current portion	12	9,448	9,683	9,448	9,683
Provision for long-term employee benefits	13	6,757	12,195	5,223	10,752
Other non-current liabilities		627	2,218	280	170
<b>Total non-current liabilities</b>		<b>16,832</b>	<b>24,096</b>	<b>14,951</b>	<b>20,605</b>
<b>Total liabilities</b>		<b>71,965</b>	<b>70,232</b>	<b>48,028</b>	<b>46,601</b>

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

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
390,549,286 ordinary shares of Baht 1 each	390,549	390,549	390,549	390,549
Issued and fully paid up				
365,549,286 ordinary shares of Baht 1 each	365,549	365,549	365,549	365,549
Share premium	342,646	342,646	342,646	342,646
Retained earnings				
Appropriated - statutory reserve	10,650	10,650	10,650	10,650
Deficits	(390,107)	(448,972)	(374,742)	(442,138)
Other components of shareholders' equity	(180)	-	(180)	-
Equity attributable to owners of the Company	328,558	269,873	343,923	276,707
Non-controlling interests of the subsidiaries	-	39,779	-	-
<b>Total shareholders' equity</b>	<b>328,558</b>	<b>309,652</b>	<b>343,923</b>	<b>276,707</b>
<b>Total liabilities and shareholders' equity</b>	<b>400,523</b>	<b>379,884</b>	<b>391,951</b>	<b>323,308</b>

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

Directors

(Unaudited but reviewed)

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 30 September 2021

(Unit: Thousand Baht except loss per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income	14	16,385	19,289	10,165	8,732
Other income		2,234	652	3,627	2,259
<b>Total revenues</b>		<u>18,619</u>	<u>19,941</u>	<u>13,792</u>	<u>10,991</u>
<b>Expenses</b>					
Cost of sales and services		12,740	13,110	8,892	7,123
Selling and distribution expenses		3,278	1,165	3,157	1,110
Administrative expenses		17,250	12,227	13,214	8,313
<b>Total expenses</b>		<u>33,268</u>	<u>26,502</u>	<u>25,263</u>	<u>16,546</u>
<b>Loss from operating activities</b>		(14,649)	(6,561)	(11,471)	(5,555)
Finance income		252	321	251	321
Finance cost		(263)	(304)	(246)	(262)
<b>Loss before income tax</b>		(14,660)	(6,544)	(11,466)	(5,496)
Income tax	15	(1,702)	-	(1,702)	-
<b>Loss for the period</b>		<u>(16,362)</u>	<u>(6,544)</u>	<u>(13,168)</u>	<u>(5,496)</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income		(261)	496	(261)	496
<b>Other comprehensive income for the period</b>		<u>(261)</u>	<u>496</u>	<u>(261)</u>	<u>496</u>
<b>Total comprehensive income for the period</b>		<u>(16,623)</u>	<u>(6,048)</u>	<u>(13,429)</u>	<u>(5,000)</u>

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

(Unaudited but reviewed)

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the three-month period ended 30 September 2021

(Unit: Thousand Baht except loss per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(16,362)	(6,550)	<u>(13,168)</u>	<u>(5,496)</u>
Non-controlling interests of the subsidiaries	<u>-</u>	<u>6</u>		
	<u>(16,362)</u>	<u>(6,544)</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(16,623)	(6,054)	<u>(13,429)</u>	<u>(5,000)</u>
Non-controlling interests of the subsidiaries	<u>-</u>	<u>6</u>		
	<u>(16,623)</u>	<u>(6,048)</u>		
<b>Loss per share</b>	16			
Basic loss per share				
Loss attributable to equity holders of the Company	<u>(0.04)</u>	<u>(0.02)</u>	<u>(0.04)</u>	<u>(0.02)</u>

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

(Unaudited but reviewed)

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of comprehensive income

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Continued operation</b>					
<b>Revenues</b>					
Sales and service income	14	58,303	49,393	39,774	25,337
Dividend income	5, 6	16,341	-	38,147	-
Other income					
Gain on sales of investment in subsidiary	6	-	-	17,980	-
Others		8,677	2,237	12,690	7,081
<b>Total revenues</b>		<b>83,321</b>	<b>51,630</b>	<b>108,591</b>	<b>32,418</b>
<b>Expenses</b>					
Cost of sales and services		39,813	36,578	29,189	21,095
Selling and distribution expenses		7,880	3,675	7,506	3,439
Administrative expenses		43,496	38,519	31,586	29,323
<b>Total expenses</b>		<b>91,189</b>	<b>78,772</b>	<b>68,281</b>	<b>53,857</b>
<b>Profit (loss) from operating activities</b>		<b>(7,868)</b>	<b>(27,142)</b>	<b>40,310</b>	<b>(21,439)</b>
Finance income		719	1,316	716	1,312
Finance cost		(835)	(965)	(787)	(817)
<b>Profit (loss) before income tax</b>		<b>(7,984)</b>	<b>(26,791)</b>	<b>40,239</b>	<b>(20,944)</b>
Income tax	15	1,590	2,431	1,590	2,651
<b>Profit (loss) for the period from continued operation</b>		<b>(6,394)</b>	<b>(24,360)</b>	<b>41,829</b>	<b>(18,293)</b>
<b>Discontinued operation</b>					
Profit for the period from discontinued operation	6	39,692	-	-	-
<b>Profit (loss) for the period</b>		<b>33,298</b>	<b>(24,360)</b>	<b>41,829</b>	<b>(18,293)</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Gain on investments in equity instruments designated at fair value through other comprehensive income		25,387	18,517	25,387	18,517
<b>Other comprehensive income for the period</b>		<b>25,387</b>	<b>18,517</b>	<b>25,387</b>	<b>18,517</b>
<b>Total comprehensive income for the period</b>		<b>58,685</b>	<b>(5,843)</b>	<b>67,216</b>	<b>224</b>

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



(Unaudited but reviewed)

Nation International Edutainment Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company				
Profit (loss) from continued operation	(6,394)	(24,363)	41,829	(18,293)
Profit from discontinued operation	<u>39,692</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>33,298</u>	<u>(24,363)</u>	<u>41,829</u>	<u>(18,293)</u>
Non-controlling interests of the subsidiaries				
Profit from continued operation	<u>-</u>	<u>3</u>		
	<u>-</u>	<u>3</u>		
	<u>33,298</u>	<u>(24,360)</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company				
Profit (loss) from continued operation	18,993	(5,846)	67,216	224
Profit from discontinued operation	<u>39,692</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>58,685</u>	<u>(5,846)</u>	<u>67,216</u>	<u>224</u>
Non-controlling interests of the subsidiaries				
Profit from continued operation	<u>-</u>	<u>3</u>		
	<u>-</u>	<u>3</u>		
	<u>58,685</u>	<u>(5,843)</u>		
<b>Earnings per share</b>				
	16			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>0.09</u>	<u>(0.07)</u>	<u>0.11</u>	<u>(0.05)</u>
<b>Earnings per share from continued operation</b>				
	16			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>(0.02)</u>	<u>(0.07)</u>	<u>0.11</u>	<u>(0.05)</u>

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

(Unaudited but reviewed)

## Nation International Edutainment Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements										
	Equity attributable to the owners of the Company										
	Other components of shareholders' equity										
	Issued and fully paid-up share capital	Share premium	Appropriated	Retained earnings (deficits)	Deficits	Surplus (deficits)			Total other components of shareholders' equity	Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiaries
on changes in fair value of investments in equity						Total other components of shareholders' equity	Total equity attributable to the owners of the Company				
Balance as at 1 January 2020	365,549	342,646	10,650	(444,734)	-	-	-	-	274,111	(75)	274,036
Loss for the period	-	-	-	(24,363)	-	-	-	-	(24,363)	3	(24,360)
Other comprehensive income for the period	-	-	-	-	18,517	18,517	18,517	18,517	18,517	-	18,517
Total comprehensive income for the period	-	-	-	(24,363)	18,517	18,517	18,517	18,517	(5,846)	3	(5,843)
Sales of equity instruments	-	-	-	17,596	(17,596)	(17,596)	(17,596)	(17,596)	-	-	-
Balance as at 30 September 2020	365,549	342,646	10,650	(451,501)	921	921	921	921	268,265	(72)	268,193
Balance as at 1 January 2021	365,549	342,646	10,650	(448,972)	-	-	-	-	269,873	39,779	309,652
Profit for the period	-	-	-	33,298	-	-	-	-	33,298	-	33,298
Other comprehensive income for the period	-	-	-	-	25,387	25,387	25,387	25,387	25,387	-	25,387
Total comprehensive income for the period	-	-	-	33,298	33,298	33,298	33,298	33,298	58,685	-	58,685
Sales of equity instruments (Note 5)	-	-	-	25,567	(25,567)	(25,567)	(25,567)	(25,567)	-	-	-
Dividend paid by subsidiary to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	(12,328)	(12,328)
Decrease in non-controlling interests of a subsidiary from sale of investment in subsidiary (Note 6)	-	-	-	-	-	-	-	-	-	(27,451)	(27,451)
Balance as at 30 September 2021	365,549	342,646	10,650	(390,107)	(180)	(180)	(180)	(180)	328,558	-	328,558

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

(Unaudited but reviewed)

## Nation International Edutainment Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Separate financial statements									
	Issued and fully paid-up share capital	Share premium	Retained earnings (deficits) Appropriated	Deficits	Other components of shareholders' equity			Total	shareholders' equity	Total shareholders' equity
					Surplus (deficits) on changes in fair value of investments in equity	Other comprehensive income	Total other components of shareholders' equity			
<b>Balance as at 1 January 2020</b>	365,549	342,646	10,650	(446,402)	-	-	-	-	-	272,443
Loss for the period	-	-	-	(18,293)	-	-	-	-	-	(18,293)
Other comprehensive income for the period	-	-	-	-	18,517	18,517	18,517	18,517	18,517	18,517
Total comprehensive income for the period	-	-	-	(18,293)	18,517	18,517	18,517	18,517	18,517	224
Sales of equity instruments	-	-	-	17,596	(17,596)	(17,596)	(17,596)	(17,596)	(17,596)	-
<b>Balance as at 30 September 2020</b>	<b>365,549</b>	<b>342,646</b>	<b>10,650</b>	<b>(447,099)</b>	<b>921</b>	<b>921</b>	<b>921</b>	<b>921</b>	<b>921</b>	<b>272,667</b>
<b>Balance as at 1 January 2021</b>	<b>365,549</b>	<b>342,646</b>	<b>10,650</b>	<b>(442,138)</b>	-	-	-	-	-	<b>276,707</b>
Profit for the period	-	-	-	41,829	-	-	-	-	-	41,829
Other comprehensive income for the period	-	-	-	-	25,387	25,387	25,387	25,387	25,387	25,387
Total comprehensive income for the period	-	-	-	41,829	25,387	25,387	25,387	25,387	25,387	67,216
Sales of equity instruments (Note 5)	-	-	-	25,567	(25,567)	(25,567)	(25,567)	(25,567)	(25,567)	-
<b>Balance as at 30 September 2021</b>	<b>365,549</b>	<b>342,646</b>	<b>10,650</b>	<b>(374,742)</b>	<b>(180)</b>	<b>(180)</b>	<b>(180)</b>	<b>(180)</b>	<b>(180)</b>	<b>343,923</b>

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

(Unaudited but reviewed)

## Nation International Edutainment Public Company Limited and its subsidiaries

## Cash flow statements

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit (loss) before tax from continued operation	(7,984)	(26,791)	40,239	(20,944)
Profit before tax from discontinued operation	39,595	-	-	-
Profit (loss) before tax	31,611	(26,791)	40,239	(20,944)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	10,231	8,144	7,494	6,348
Reversal of allowance for expected credit losses	(533)	(129)	(8,486)	(5,957)
Reduction of inventory to net realisable value (reversal)	1,566	1,312	639	(404)
Right on returned product	(258)	(380)	(319)	(366)
Loss on written-off of withholding tax	653	52	554	-
Gain on sales of equipment	-	(64)	-	-
Gain on fair value adjustment of financial assets	(2,192)	-	(2,192)	-
Provision for sales returned	3,055	1,521	3,181	1,521
Provision for long-term employee benefits	812	741	721	657
Unrealised loss on exchange	1,553	598	-	-
Gain on sale of investment in subsidiary	(40,717)	-	(17,980)	-
Dividend income	(16,341)	-	(38,147)	-
Finance income	(719)	(1,316)	(716)	(1,312)
Finance cost	835	965	787	817
Loss from operating activities before changes in operating assets and liabilities	(10,444)	(15,347)	(14,225)	(19,640)
Operating assets (increase) decrease				
Trade and other receivables	(278)	(2,269)	1,690	2,005
Inventories	(3,854)	(3,361)	(2,702)	11
Other current assets	(97)	102	(103)	3
Other non-current assets	(218)	190	(217)	(4)
Operating liabilities increase (decrease)				
Trade and other payables	3,478	6,630	1,512	3,765
Other current liabilities	1,314	(1,358)	(813)	(1,134)
Provision for long-term employee benefits	(6,250)	-	(6,250)	-
Other non-current liabilities	110	10	110	10
Cash flows used in operating activities	(16,239)	(15,403)	(20,998)	(14,984)
Cash paid for interest expenses	(835)	(966)	(787)	(819)
Cash paid for corporate income tax	(2,908)	(416)	(2,809)	(330)
Cash return from corporate income tax	987	518	987	518
<b>Net cash flows used in operating activities</b>	<b>(18,995)</b>	<b>(16,267)</b>	<b>(23,607)</b>	<b>(15,615)</b>

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

(Unaudited but reviewed)

Nation International Edutainment Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities</b>				
Acquisition of other current financial assets	(267,409)	(89,987)	(267,409)	(90,472)
Cash receipt from sales of other current financial assets	296,771	112,464	296,771	112,464
Acquisition of other non-current financial assets	(5,000)	(9,900)	(5,000)	(9,900)
Proceeds from sales of equipment	12	64	12	-
Acquisition of building improvements and equipment	(2,072)	(306)	(2,065)	(297)
Acquisition of intangible assets	(5,236)	(4,125)	(4,766)	(2,496)
Net cash receipt from sale of investment in subsidiary	80,077	-	87,989	-
Dividend received	16,341	-	38,147	-
Interest received	636	1,482	634	1,475
<b>Net cash flows from investing activities</b>	<b>114,120</b>	<b>9,692</b>	<b>144,313</b>	<b>10,774</b>
<b>Cash flows from financing activities</b>				
Payment of lease liabilities	(2,692)	(2,344)	(2,692)	(2,344)
Dividend paid of subsidiary to non-controlling interests of subsidiary	(12,328)	-	-	-
<b>Net cash flows used in financing activities</b>	<b>(15,020)</b>	<b>(2,344)</b>	<b>(2,692)</b>	<b>(2,344)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>80,105</b>	<b>(8,919)</b>	<b>118,014</b>	<b>(7,185)</b>
Cash and cash equivalents at beginning of period	173,940	257,399	129,703	250,045
<b>Cash and cash equivalents at end of period</b>	<b>254,045</b>	<b>248,480</b>	<b>247,717</b>	<b>242,860</b>

**Supplemental cash flows information:**

Non-cash item:

Purchases of equipment which had not yet been paid	826	-	826	-
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The accompanying notes are an integral part of the interim financial statements.

**Nation International Edutainment Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month and nine-month periods ended 30 September 2021**

**1. General information**

**1.1 Corporate information**

Nation International Edutainment Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the importing, publishing and distributing local and foreign publications and character management. The registered office of the Company is at 333 Lao Peng Nguan 1 Tower, 24th Floor, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok.

**1.2 Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**1.3 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

#### **1.4 Basis of consolidation**

These consolidated interim financial statements include the financial statements of Nation International Edutainment Public Company Limited and its subsidiaries and are prepared on the same basis as the consolidated financial statements for the year ended 31 December 2020, except for sale of investment in subsidiary as discussed in Note 6 to the interim financial statements.

#### **1.5 New financial reporting standards**

##### **a) Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

##### **b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

#### **1.6 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

## 2. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, subsidiaries and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<b>Transactions with subsidiaries</b>					
(eliminated from the consolidated financial statements)					
Management income	-	-	1.4	1.8	Contract price
Administrative expenses	-	-	0.5	0.4	Contract price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<b>Transactions with subsidiaries</b>					
Management income	-	-	4.3	5.3	Contract price
Administrative expenses	-	-	1.5	1.3	Contract price



(Unaudited but reviewed)

The balances of the accounts as at 30 September 2021 and 31 December 2020 between the Company, subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<b><u>Other receivables - related parties (Note 3)</u></b>				
Subsidiaries	-	-	39,373	41,767
Less: Allowance for expected credit loss	-	-	(19,055)	(27,541)
Total other receivables - related parties	-	-	20,318	14,226
<b><u>Other payables - related party (Note 11)</u></b>				
Subsidiary	-	-	1,616	1,445
Total other payables - related party	-	-	1,616	1,445

**Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 2021 and 2020, the Company had employee benefit expenses of its directors and management as below.

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	5.4	3.7	11.1	11.6
Post-employment benefits	0.4	0.2	0.7	0.7
Total	5.8	3.9	11.8	12.3

**3. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Audited)	(Audited)	
<u>Trade account receivables</u>				
Aged on the basis of due dates				
Not yet due	8,856	10,649	3,509	4,459
Past due				
Up to 3 months	5,879	5,864	4,938	4,730
3 - 12 months	90	2	50	-
Over 12 months	6	538	-	-
Total	14,831	17,053	8,497	9,189
Less: Allowance for expected credit loss	(6)	(539)	-	-
Total trade receivables - net	14,825	16,514	8,497	9,189
<u>Other receivables</u>				
Accrued income	2,903	2,208	2,257	1,830
Interest receivables	120	37	120	37
Account receivable from sales of investments	-	46,680	-	46,680
Other receivables - related parties	-	-	39,373	41,767
Other receivables	3,061	2,055	2,202	1,231
Total	6,084	50,980	43,952	91,545
Less: Allowance for expected credit loss	-	(20)	(19,055)	(27,541)
Total other receivables - net	6,084	50,960	24,897	64,004
Total trade and other receivables	20,909	67,474	33,394	73,193

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2021	559	27,541
Reversal	(553)	(8,486)
As at 30 September 2021	6	19,055

#### 4. Allowance to reduce cost to net realisable value

Movements in the allowance to reduce cost of inventories to net realisable value during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2021</b>	16,820	10,302
Addition	2,438	1,511
Reversal	(872)	(872)
<b>Balance as at 30 September 2021</b>	<u>18,386</u>	<u>10,941</u>

#### 5. Other current/non-current financial assets

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	30 September 2021	31 December 2020
	(Audited)	
<b><u>Financial asset at amortised cost</u></b>		
Bill of exchange	40,066	65
Total	<u>40,066</u>	<u>65</u>
<b><u>Financial asset at FVOCI</u></b>		
Quoted equity instruments	9,273	-
Allowance for change in value	(180)	-
Total	<u>9,093</u>	<u>-</u>
Total other current financial assets	<u>49,159</u>	<u>65</u>
<b><u>Financial asset at FVTPL</u></b>		
Unquoted debt instruments	9,900	9,900
Allowance for change in value	4,001	1,809
Total	<u>13,901</u>	<u>11,709</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated/Separate  
financial statements

	30 September 2021	31 December 2020
<b><u>Financial asset at FVOCI</u></b>		
Unquoted equity instruments	5,000	-
<b>Total</b>	<b>5,000</b>	<b>-</b>
Total other non-current financial assets	18,901	11,709

On 23 April 2020, the Company acquired 90,000 ordinary shares of a related company, representing 18.35% of the issued shares. Each seller had a buy-back option at a specific price within 3 years from the date the purchase was completed. The Company's management expected the sellers of those shares to exercise the option within the specified period and classified the investment under the caption of "Financial asset at FVTPL". Subsequently, on 25 February 2021, the Company received dividend from that Company amounting to Baht 16.3 million.

On 30 July 2021, the Company acquired 50,000 ordinary shares of a non-related company, representing 10% of the issued shares for the amount of Baht 5 million. The company domiciled in Thailand and engaged in the distribution and marketing of confectionery and snack products. The Company classified the investment under the caption "Financial asset at FVOCI".

In addition, during the period, the Company acquired quoted equity instruments (designated at fair value through other comprehensive income) amounting to Baht 147.4 million and sold partial of them amounting to Baht 170.1 million. The Company recognised gain of sales of equity instruments of Baht 25.6 million (net of income tax) in the retained earnings.

## 6. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements

(Unit: Million Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received for the nine-month periods ended 30 September	
	30 September	31 December	30 September	31 December	30 September	31 December	2021	2020
	2021	2020	2021	2020	2021	2020		
	(Audited)		(Audited)		(Audited)			
			(Percent)	(Percent)				
Nation Global Edutainment Company Limited	200	200	99.99	99.74	163.4	163.4	-	-
One World Media Company Limited	60	60	99.99	99.99	60.0	60.0	-	-
Landy Development Company Limited	-	40	-	63.76	-	70.0	21.8	-
<b>Total</b>					<b>223.4</b>	<b>293.4</b>		
Less: Allowance for impairment					<b>(223.4)</b>	<b>(223.4)</b>		
<b>Investments in subsidiaries - net</b>					<b>-</b>	<b>70.0</b>		

### Landy Development Company Limited ("Landy")

On 22 February 2021, the Company's Board of Directors passed a resolution approving the sale of 2.55 million ordinary shares of Landy to unrelated companies ("the buyers") for a total of Baht 88 million. On 1 March 2021, the Company transferred the shares to the buyers. The financial statements of Landy were not included in the consolidated financial statements from 1 March 2021.

Details of the book values of assets and liabilities of Landy as at 1 March 2021 are as follows:

(Unit: Thousand Baht)

#### Assets

Cash and cash equivalents	7,912
Trade and other receivables	781
Other current assets	195
Investments properties	70,868
Other non-current assets	119
<b>Total assets</b>	<b>79,875</b>

#### Liabilities

Trade and other payables	829
Other current liabilities	2,622
Other non-current liabilities	1,701
<b>Total liabilities</b>	<b>5,152</b>

<b>Non-controlling interests of the subsidiary</b>	<b>27,451</b>
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<b>Net assets</b>	<b>47,272</b>
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(Unaudited but reviewed)

(Unit: Thousand Baht)

Cash receipt from sale of investment in subsidiary	87,989
Less: Cash and cash equivalents of the subsidiary	(7,912)
Net cash receipt from sale of investment in subsidiary	<u>80,077</u>

The Group recorded a gain on sale of the investment in profit or loss for the nine-month period ended 30 September 2021 as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Selling price of investment in a subsidiary	87,989	87,989
Less: Book value of net assets/investment in a subsidiary as at selling date	(47,272)	(70,009)
Gain on sale of investment in a subsidiary	<u>40,717</u>	<u>17,980</u>

The Group presented the operating results of Landy until the transfer date under discontinued operation for the nine-month period ended 30 September 2021 in the consolidated financial statements as detailed below.

(Unit: Thousand Baht)

Consolidated financial statements  
For the nine-month period ended  
30 September 2021

**Statements of comprehensive income**

Revenue	1,271
Expenses	(2,393)
<b>Loss before income tax</b>	<b>(1,122)</b>
Income tax	97
<b>Loss from discontinued operation</b>	<b>(1,025)</b>
Gain on sales of investment in subsidiary	40,717
<b>Profit for the period from discontinued operation</b>	<b><u>39,692</u></b>

**7. Investment property**

Movements of the investment property account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>Net book value as at 1 January 2021</b>	<u>72,412</u>
Depreciation	(1,544)
Sales of subsidiary (Note 6)	<u>(70,868)</u>
<b>Net book value as at 30 September 2021</b>	<u>-</u>

**8. Building improvement and equipment**

Movements of the building improvement and equipment account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2021</b>	<u>8,752</u>	<u>8,506</u>
Acquisition	2,898	2,891
Disposal	(12)	(12)
Depreciation	(2,173)	(2,104)
Sales of subsidiary	(32)	-
<b>Net book value as at 30 September 2021</b>	<u>9,433</u>	<u>9,281</u>

**9. Right-of-use assets**

Movements of the right-of-use assets account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
<b>Net book value as at 1 January 2021</b>	<u>12,657</u>
Acquisition	2,839
Amortisation	<u>(2,872)</u>
<b>Net book value as at 30 September 2021</b>	<u>12,624</u>

**10. Intangible assets**

Movements of the intangible assets account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
<b>Net book value as at 1 January 2021</b>	7,390	6,177
Acquisitions	5,236	4,766
Amortisation	(3,642)	(2,518)
Sales of subsidiary	(17)	-
<b>Net book value as at 30 September 2021</b>	<u>8,967</u>	<u>8,425</u>

**11. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	<u>financial statements</u>		<u>financial statements</u>	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Trade payables	7,226	5,414	4,941	3,884
Other payable - related party	-	-	1,616	1,445
Other payables	16,010	13,522	2,346	1,303
Accrued expenses	15,987	15,258	8,915	8,848
<b>Total trade and other payables</b>	<u>39,223</u>	<u>34,194</u>	<u>17,818</u>	<u>15,480</u>

**12. Lease liabilities**

Movements of the lease liabilities account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
	<u>Consolidated/Separate</u>
	<u>financial statements</u>
<b>Balance as at 1 January 2021</b>	13,035
Lease payments	2,839
Paid	(3,304)
Addition from interest	612
<b>Balance as at 30 September 2021</b>	<u>13,182</u>
Less: Current portion	<u>(3,734)</u>
<b>Lease liabilities - net of current portion</b>	<u>9,448</u>



**13. Provision for long-term employee benefits**

Movements of the provision for long-term employee benefits account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2021</b>	12,195	10,752
Increase	812	721
Benefits paid	(6,250)	(6,250)
<b>Balance as at 30 September 2021</b>	<u>6,757</u>	<u>5,223</u>

**14. Sales and service income**

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue from sales	14,778	18,333	8,558	7,776
Service income from electronics books	1,607	956	1,607	956
<b>Total</b>	<u>16,385</u>	<u>19,289</u>	<u>10,165</u>	<u>8,732</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue from sales	53,467	45,875	34,938	21,819
Service income from electronics books	4,836	3,518	4,836	3,518
<b>Total</b>	<u>58,303</u>	<u>49,393</u>	<u>39,774</u>	<u>25,337</u>

**15. Income tax**

Income tax for the three-month and nine-month periods ended 30 September 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Interim corporate income tax	4,801	-	4,801	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(3,099)	-	(3,099)	-
<b>Income tax expenses reported in profit or loss</b>	<u>1,702</u>	<u>-</u>	<u>1,702</u>	<u>-</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Interim corporate income tax	4,801	-	4,801	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(6,391)	(2,431)	(6,391)	(2,651)
<b>Income tax benefit reported in profit or loss</b>	<u>(1,590)</u>	<u>(2,431)</u>	<u>(1,590)</u>	<u>(2,651)</u>

(Unaudited but reviewed)

The amount of income tax relating to each of other comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	For the three-month periods ended 30 September	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to gain (loss) on investments in equity instruments	(21)	124

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	For the nine-month periods ended 30 September	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to gain on investments in equity instruments	6,391	4,629

## 16. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Details of calculation of earnings (loss) per share for the three-month and nine-month periods ended 30 September 2021 and 2020 are as below.

	Consolidated financial statements					
	For the three-month periods ended 30 September					
	Continued operation		Discontinued operation		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss for the period (Thousand Baht)	(16,362)	(6,550)	-	-	(16,362)	(6,550)
Weighted average number of ordinary shares (Thousand shares)	365,549	365,549	-	-	365,549	365,549
Loss per share (Baht/share)	(0.04)	(0.02)	-	-	(0.04)	(0.02)

(Unaudited but reviewed)

Consolidated financial statements						
For the nine-month periods ended 30 September						
	Continued operation		Discontinued operation		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for the period (Thousand Baht)	(6,394)	(24,363)	39,692	-	33,298	(24,363)
Weighted average number of ordinary shares (Thousand shares)	365,549	365,549	365,549	-	365,549	365,549
Earnings (loss) per share (Baht/share)	(0.02)	(0.07)	0.11	-	0.09	(0.07)

Separate financial statements				
For the three-month periods ended 30 September				
	Continued operation		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss for the period (Thousand Baht)	(13,168)	(5,496)	(13,168)	(5,496)
Weighted average number of ordinary shares (Thousand shares)	365,549	365,549	365,549	365,549
Loss per share (Baht/share)	(0.04)	(0.02)	(0.04)	(0.02)

Separate financial statements				
For the nine-month periods ended 30 September				
	Continued operation		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for the period (Thousand Baht)	41,829	(18,293)	41,829	(18,293)
Weighted average number of ordinary shares (Thousand shares)	365,549	365,549	365,549	365,549
Earnings (loss) per share (Baht/share)	0.11	(0.05)	0.11	(0.05)

## 17. Segment information

The Group is principally engaged in the publishing. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits (loss) and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

**18. Commitments and contingent liabilities****18.1 Capital commitments**

As at 30 September 2021, there were capital commitments of approximately Baht 4.4 million (31 December 2020: Nil), relating to the purchase of fixed assets and computer software.

**18.2 Guarantees**

As at 30 September 2021, there were outstanding bank guarantees of approximately Baht 0.1 million (31 December 2020: Baht 0.1 million) issued in the normal course of business of the Company.

**19. Financial instruments****19.1 Fair values of financial instruments**

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, its fair value of financial instruments is not expected to be materially different from the amounts presented in the statement of financial position.

**19.2 Fair value hierarchy**

As at 30 September 2021, the Group had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated/Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Debt instrument	-	-	13,901	13,901
Financial assets designated at FVOCI				
Equity instruments	9,093	5,000	-	14,093

### 19.3 Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht) Consolidated/Separate financial statements
Balance as of 1 January 2021	11,709
Gain recognised into profit or loss	2,192
Balance as of 30 September 2021	13,901

Key assumptions used in the valuation are summarised below.

Financial instrument	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Investment in debt instrument	Discounted future cash flows using yield curve announced by the Thai Bond Market Association adjusted by risk premium.	Risk premium	22.94%	1% increase (decrease) in the risk premium would result in decrease (increase) in fair value amounting to Baht 0.2 million and Baht 0.2 million, respectively

### 20. Event after the reporting period

On 11 October 2021, the Company had entered into an agreement with an unrelated company, relating to the purchase of fixed assets amounting to Baht 7.9 million, which paid on the contract date of Baht 3.2 million.

### 21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 4 November 2021.