

- Translation -



Management Discussion and Analysis of the Company's Performance
for the year ended 31 December 2023

1. Overview of operating results of the Company and its subsidiaries

<i>Baht: Million</i>	2023	2022	+ / (-)	+ / (-) %
Total revenues	2,495.42	2,669.56	(174.15)	(6.52%)
Total expense	(4,444.56)	(1,684.38)	2,760.18	163.87%
Profit from operating activities	(1,949.14)	985.18	(2,934.33)	(297.85%)
Finance income	5.64	0.54	5.10	946.69%
Finance cost	(386.16)	(325.92)	60.24	18.48%
Income tax expenses	172.19	(71.79)	(243.98)	(339.87%)
Net profit (1)	(2,157.48)	583.30	(2,740.78)	(469.87%)
Other comprehensive income for the period	36.29	12.92	23.37	180.80%
Total comprehensive income (3)	(2,121.19)	596.22	(2,717.41)	(455.77%)
Profit (loss) attributable to non-controlling interests of the subsidiary	(29.36)	(25.13)	(4.23)	(16.85%)
Profit (loss) attributable to equity holders of the Company (2)	(2,128.12)	608.43	(2,736.54)	(449.77%)
Net profit ratio (ROS) (1)	-86.46%	21.85%		
Earnings per share (Baht)	-2.25	0.92	(3.17)	(344.57%)
Diluted earnings per share (Baht)	0.00	0.75	(0.75)	(100.00%)

The overview on the entertainment and television business of the Company in year 2023, for the year ended 31 December 2023, the Company and its subsidiaries earned a total revenue of THB 2,495.42 million, which decreased by THB 174.15 million or 6.52% from the previous year. Since the traditional television medias which are the main customers of the Company had a continuous decline in income, resulting in companies which are upstream business being less affected by debt collection. Regarding overall analysis that advertising money has disappeared from the traditional media and move to online media more and more. As a result, traditional media customers do not have purchasing power to acquire contents to air in their channels. It also resulted in customers starting to have the liquidity issues these resulted in the overdue debt repayment to the Company. Furthermore, changing the customer spending behavior to pay less attention to main media such as traditional television, driving dynamism innovations including artificial intelligence (AI) that is rapidly changing in creating content, these cause the Company to monitor and focus on products for sale.

The Company nowadays has planned and improved its business strategies with considering the above changes which expected that there will generate cash flow from

business and marketing planning to grow from the “Commerce” business by focusing on product selling thru online medias. The Company plan to increase sell volume with Miss Universe trademark in order to push and expand the Commerce business. Furthermore, the Company plan to bring Miss Universe copyrights to generate more revenue in Thailand, expand more business related to the Miss Universe Organization, reduce the business costs and expenses by using Outsource servicing. Therefore, the source of funding and financial liquidity using for continued operations depends on the success of the plan. The Company is in the process of developing the business plan and cash flow plan. In this regard, the management of the Company consider that there are many factors and elements involved to support the Company's financial status and ability to continue operations in the future. In terms of changing and developing the business plan, the orders of the Central Bankruptcy Court, the consideration and resolution to accept the creditors' business rehabilitation plan, the success in implementing the rehabilitation plan and the ability to conduct business of the Company. For the year ended 31 December 2023, the Company has analyzed various aspects as follow.

Total Revenue

For the year ended 31 December 2023, the Company and its subsidiaries earned a total revenue of THB 2,495.42 million, which decreased by THB 174.15 million or 6.52% from the previous year. The total revenue of each operating segments for the year ended 31 December 2023 of the Company and its subsidiaries had changed from the previous year as follows (1) Revenue from sales of program rights decreased 13.82% (2) Revenue from advertising and media services increased 47.62% (3) Revenue from sales of products decreased 41.06% (4) Revenue from Miss Universe Organization's license Management increased 3,206.06% (5) Other income decreased 92.45% due to in 2022, the other income included gain from a bargain purchase (acquiring of Miss Universe organization on the 4th quarter of 2022) amount of THB 441.10 million.

Net profit

For the year ended 31 December 2023, the Company and its subsidiaries had net loss of THB 2,157.48 million which decreased by THB 2,740.78 million or 469.87% from the previous year, resulted from the impairment of assets, the procedures that the Company and its subsidiaries applied to ensure that the company's assets are carried at no more than the recoverable amount. The impairment of the Company's assets was compared by considering the indications of each type of asset with the value from an external independent appraiser. The Company and its subsidiaries recognized an Impairment loss of Intangible asset-

program rights amount of THB 841.97 million, loss of trademarks and goodwill totaling amount of THB 271.52 million and other totaling assets amount of THB 31.48 million. In total the impairment loss of 3 mentioned assets of the Company and its subsidiaries being 1,144.97 million. The Company and its subsidiaries also measured impairment of trade receivables, using the Expected Credit Losses (ECLs) resulted to recognize total ECL being THB 494.86 million. Furthermore, the Company recognized an impairment loss for investment amount of THB 619.45 million which presented in the separate financial statements.

Furthermore, the performance of the Content business in the last quarter of year 2023 were not performed, even though the revenue from 72nd Miss Universe Competition had been recognized in November 2023 but could not compensated to the revenue decreasing from Content business. Besides the revenue part, the net(loss) profit had been impacted from cost of service and cost of License sales - Miss Universe Organization's License Management which included the organizing and production cost of 71st and 72nd Miss Universe Competitions, 2 times in one year.

From the reason mentioned above, net profit margin for the year ended 31 December 2023 decreased from 21.85% from the previous year being net loss at -86.46% and the selling and administration expenses for the year ending 31 December 2023 being 99.39% whereas being 18.16% in the previous year.

For the earnings per share, the diluted earnings per share was calculated and presented in order to inform in case of the convertible debentures had been executed. However, when comparing the conversion price and the fair value of the Company's shares, the fair value was lower than the conversion price (based on the closing price of the Company's shares as at 31 December 2023 was 0.50 Baht per share, while the conversion price of the convertible debenture about 6.2316 baht per share) which the gap price regularly impacts to the probability of the execution of convertible debenture.

2. Summary of operating results by business type

Baht: Million	2023	2022	+ / (-)	+ / (-) %
1. Content Business				
Revenue from sales of program rights	1,688.01	1,958.72	(270.70)	(13.82%)
- Domestic sales	1,051.21	1,637.99	(586.78)	(35.82%)
- Export sales	636.80	320.73	316.07	98.55%
Cost of program rights	(1,378.85)	(767.51)	611.34	79.65%
Gross profit of content business	309.17	1,191.21	(882.04)	(74.05%)
Gross profit margin	18.32%	60.82%		
2. Advertising and Media Business				
Revenue from services	26.39	17.88	8.51	47.62%
Cost of services	(267.86)	(367.41)	(99.54)	(27.09%)
Gross profit of advertising and media business	(241.48)	(349.53)	108.05	30.91%
Gross profit margin	(915.08%)	(1,955.29%)		
3. Product sales Business				
Revenue from sales of products	115.43	195.85	(80.42)	(41.06%)
Cost of product sales	(68.06)	(64.65)	3.41	5.28%
Gross profit of product sales business	47.37	131.20	(83.83)	(63.89%)
Gross profit margin	41.04%	66.99%		
4. License Business				
Revenue from sales of License	635.13	19.21	615.92	3,206.06%
Cost of License sales	(255.28)	-	255.28	100.00%
Gross profit of License sales business	379.85	19.21	360.64	1,877.25%
Gross profit margin	59.81%	100.00%		
Total Gross profit	500.51	992.10	(491.59)	(49.55%)
Total Gross profit margin	20.30%	45.27%		

Content Business

For the year ended 31 December 2023, the Company had revenue from program rights of THB 1,688.01 million which was composed of domestic sales amounting to THB 1,051.21 million and export sales about THB 636.80 million or accounted for the portion as 62.27% and 37.73% respectively (2022: 83.63% and 16.37%) of total revenue from program rights, which overall decreased by THB 270.70 million or 13.82% from the previous year. Consequently, the default on repayment of JKN239A Debenture on 1 September 2023 considered as an event of default according to the terms and conditions and immediately call default and the Company got the notification of Cross Default on the existing Company's 6 series of debenture, the Company spent time mostly to communicate and give the information to the regulatory agencies and all creditors about early repayment and or payment plan of the outstanding bonds, loans and other debts. The Company have given priority to manage and settle these matters thru both internal management and the professional advisories to support the Company in preparing a repayment plan,

communications and negotiations with creditors in order to restructure the debts and wish to back to normal operation as much as possible. However, the payment plan of oversea account receivables of content business did not perform as commitment, the Company have carefully considered to do business with existing customers and new customers resulted to revenue in 4th quarter was significant decrease compared to other periods.

<i>Baht: Million</i>	2023	2022	+ / (-)	+ / (-) %
<i>Rights to broadcast only one platform</i>				
<i>Cabsat</i>	-	27.58	(27.58)	(100.00%)
<i>IPTV</i>	131.46	-	131.46	100.00%
<i>DTT</i>	283.38	90.45	192.93	213.30%
<i>Subtotal revenue from sales of program rights which can broadcast only one platform</i>	414.84	118.03	296.81	251.47%
<i>Rights to broadcast more than one platform</i>				
<i>DTT, Cabsat</i>	462.05	1,094.40	(632.35)	(57.78%)
<i>DTT, Cabsat, VOD</i>	413.49	305.11	108.38	35.52%
<i>DTT, Cabsat, IPTV</i>	122.00	380.60	(258.60)	(67.95%)
<i>DTT, Cabsat, VOD, Home</i>	78.98	-	78.98	100.00%
<i>DTT, VOD</i>	-	35.25	(35.25)	(100.00%)
<i>Cabsat, IPTV</i>	184.80	-	184.80	100.00%
<i>Cabsat, VOD</i>	11.61	25.30	(13.69)	(54.11%)
<i>Subtotal revenue from sales of program rights which can broadcast more than one platform</i>	1,272.93	1,840.66	(567.73)	(30.84%)
<i>Total revenue from sales of program rights by platform</i>	1,687.77	1,958.69	(270.92)	(13.83%)

For the year ended 31 December 2023, considering revenue from program rights based on type of platform given to the customer, the revenue from sales the program rights that broadcast only one platform shown the right on DTT has been interested and the demand from most of customers has changed to the program rights to broadcast more than one platform especially the sales of program rights which can broadcast on digital television, cable and satellite and Video on demand (DTT, Cabsat, VOD). Regarding the unperformed revenue on 4th quarter of 2023 compared to the same period of 2022, as a result, revenue from sales of program rights to broadcast decreased of THB 270.92 million.

The backlog as of 31 December 2023 of THB 236.47 million or USD 6.96 million was the export sales of only 1 oversea customer.

Costs of program rights business mainly consist of amortization, dubbing and translation costs. The costs of program rights business for the year ended 31 December 2023 and 2022 totaling THB 1,393.26 million and THB 767.51 million respectively, in which increased by 78.92%.

The Company and its subsidiaries earned gross profits from program rights business for the year ended 31 December 2023 and 2022 in a total of THB 309.17 million and THB 1,191.21 million, respectively,

in which decreased by 73.58%. The gross profit margin rate for the year ended 31 December 2023 and 2022 was 18.32% and 60.82%, respectively resulted from the program rights business unperformed in 4th quarter of 2023. As the consolidated statement of comprehensive income for the year ended 31 December 2023 and 2022 have been reclassified to conform to the current year's classification but with no effect to previously reported profit for year or shareholders' equity (according to clause 42. Reclassification of Notes to Interim Financial Statements). Since a subsidiary initially engaged providing television station, advertising services and production of television programs, then extend business to engage manufacturing and distribution of health, beauty and consumer products. This subsidiary had produced and purchased contents to air in their own channel and classified the cost of television programs production and amortization of program rights being cost of service. However, the subsidiary had also entered to distribution their existing program rights and programs, therefore in order to match with the operation segment, the Company reconsider to reclassify the amortization of program rights to be cost of program rights separately which have reflected to statements of comprehensive income since the nine-month period ended 30 September 2023 and resulted to changing the cost of program rights and gross profit of business type presented in the following table.

<i>Accumulated (unit: MB)</i>	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23
Revenue from sales of program rights	414	835	1,266	1,662	437	860	1,357	1,959	671	1,137	1,878	1,688
- Domestic sales	251	489	759	1,037	397	791	1,159	1,638	501	770	1,052	1,051
- Export sales	163	345	507	625	40	69	198	321	170	368	827	637
Cost of program rights	(202)	(411)	(610)	(794)	(172)	(357)	(552)	(768)	(222)	(398)	(761)	(1,015)
- Reclassification	0	(7)	(24)	(49)	(41)	(112)	(176)	(260)	(88)	(95)	(271)	(364)
Cost of program rights after reclassification	(202)	(418)	(634)	(843)	(213)	(469)	(727)	(1,028)	(310)	(493)	(1,033)	(1,379)
Gross profit of content business	212	417	632	819	224	391	630	931	361	644	845	309
Gross profit margin	51%	50%	50%	49%	51%	45%	46%	48%	54%	57%	45%	18%

Advertising and Media Business

Advertising income is the income from the service by provide time to displaying the advertisement on the following platforms

- channel named "JKN 18" that broadcast through digital TV station or known as NEW18 in the past (acquire the whole station to operate by the Company since April 2021)
- available time during news programs under the brand JKN-CNBC that broadcast through digital TV station.

For the year ended 31 December 2023, the Company and its subsidiaries earned service income totaled THB 26.39 million, the increase of THB 8.51 million or 47.62% from the previous year due to lower advertising revenue from JKN 18. However, the directly and indirectly impact to the various businesses in the country, therefore, many companies in the country have been reduced their advertising expenses to

control the budget. Moreover, the customer also has more choices in order to do promotion and/or advertising which not only in Television media, but online and other new media or platform have provided.

However, since 18 September 2023, the company and its subsidiaries had entered to Co-production Agreement and the Program License Agreement with the third party who has expertise in the production of news and information programs including the transparent facts in various aspects. The third party also has a large number of viewers (followers). According to the co-production strategy, it will be able to strengthen the JKN18 channel as well as expand the JKN18 channel's viewer base to a large number and result to improve channel rating and strengthening the Company and its subsidiaries in the future. The entering into these agreements provides the Company and its subsidiaries with consistent income throughout the remaining period of the JKN18's channel license.

Product Sales Business

The income from product sales contains the sales of nutritional supplement products and healthy drinks which had been distributed since April 2021 and home shopping business had changed from affiliated company to subsidiary company since April 2022.

For the year ended 31 December 2023, the Company and its subsidiaries earned revenue from product sales business of Baht 115.43 million which comprise the nutritional supplement products of Baht 22.68 million, home shopping business of Baht 68.86 million and healthy drinks of Baht 23.89 million.

Miss Universe Organization's License Management

From acquiring of Miss Universe organization on the organization 4th quarter of 2022, for the year ended 31 December 2023 the Company and its subsidiary earned revenue from national director fee of THB 635.13 million, to organize a national beauty pageant to find a representative in their countries to join the 71st Miss Universe final competition on late January 2023. This year the 72nd Miss Universe final competition was organized on November 2023 which the Company and its subsidiary had realized all related revenue of the 72nd Miss Universe competition on that period. Even though the 71st Miss Universe final competition was loss performing due to most of revenue had been taken by the previous owner, but since the 72nd Miss Universe competition, all related revenue belong to the Company and its subsidiary which resulted to generate the gross profit of Miss Universe organization business amount of THB 379.85 million in 2023.

Other Income and finance income

Other income of the Company and its subsidiaries consists of gain on bargain purchase, gain on exchange rate and gain on short-term investment. Moreover, the finance income of the Company and its subsidiaries are interest income. For the year ended 31 December 2023, other income and finance income were totaling THB 41.69 million, which decreased by THB 432.22 million from the prior year due to in 2022, the other income included gain from a bargain purchase (acquiring of Miss Universe organization on the 4th quarter of 2022) amount of THB 441.10 million.

However, the Company was well aware of the risk of exchange rate fluctuation therefore the Company opening a credit limit for the forward contract to prevent such risks and keep cash in FDC.

Expenses

Selling and service Expenses

<i>Baht: Million</i>	2023	2022	+/(-)	+/(-) %
<i>Expense from Event</i>	15.74	5.39	10.34	191.80%
<i>Advertising and marketing expenses</i>	124.62	86.57	38.05	43.96%
<i>Others</i>	89.06	77.37	11.69	15.11%
<i>Selling and service expenses</i>	229.41	169.33	60.09	35.48%

Selling and service expense for the year ended 31 December 2023, increased by THB 60.09 million or 35.48% from the prior year since the Company and its subsidiaries organized the Miss Universe Competition 2 events in 2023.

Administrative Expenses

<i>Baht: Million</i>	2023	2022	+/(-)	+/(-) %
<i>Employee and executive expenses</i>	232.87	122.71	110.16	89.77%
<i>Advisor expenses</i>	120.54	49.11	71.43	145.46%
<i>Loss on exchange rate</i>	56.35	1.60	54.74	3,416.28%
<i>Depreciation and amortization expense</i>	41.34	43.25	(1.91)	(4.42%)
<i>Others</i>	1,014.16	145.17	57.85	56.76%
<i>Allowance for expected credit loss</i>	494.86	(3.10)	497.96	(16,082.12%)
<i>Impairment loss of Assets</i>	1,144.97	-	1,144.97	100.00%
<i>Administrative expenses</i>	2,250.70	315.50	1,935.20	613.38%

Administrative expense for the year ended 31 December 2023 totaled THB 2,250.70 million, the increase of THB 1,935.20 million or 613.38% from the same period of previous year. The increasing mainly came from an Impairment loss of trade receivables (ECL) amount of THB 494.86 million. Also the Impairment loss of Intangible asset-program rights amount of THB 841.97 million, loss of trademarks and goodwill totaling amount of THB 271.52 million and other totaling assets amount of THB 31.48 million. In total the impairment loss of 3 mentioned assets of the Company and its subsidiaries being 1,144.97 million.

Consequently the acquisition of Miss Universe Organization during the 4th quarter of 2022 resulting in the increase of advisory fees which related to the business operation such as agreements and setup working system. The employee and executive expenses increase in line with the number of employees as well. In addition, the administrative expenses incurred with the Miss Universe competitions which there were 2 events in 2023. Moreover, the fluctuation of FOREX rate impacted to higher costs and expense.

Financial Costs

For the year ended 31 December 2023, the Company had financial costs in total of THB 386.16 million, an increase of THB 60.24 million or 18.48% from the same period of previous year according to the addition of balance of debentures, short-term and long-term loan from financial institutions that the Company had entered into these agreement for the purpose of investing in program rights and acquiring new business during the year 2022 including the revised interest rate of existing loan and debentures according to the event of cross default on the existing Company's 7 series of debenture.

Income tax expense

Income tax expense for the year ended 31 December 2023 totaled THB -172.19 million, a decrease of THB 243.98 million or 339.87% from the previous year. Mainly due to the revenue of content business in 4th quarter did not perform as normal resulting to significant decrease and the resulted from Deferred Tax recognition

3. Summary of financial position of the group

<i>Baht: Million</i>	2566	2565	+ / (-)	+ / (-)%
Assets				
<i>Cash, Cash equivalents</i>	125.61	347.52	(221.92)	(63.86%)
<i>Trade and other accounts receivable</i>	896.62	1,620.10	(723.48)	(44.66%)
<i>Other current financial assets</i>	0.17	100.33	(100.16)	(99.83%)
<i>Value added tax receivable</i>	266.67	236.10	30.57	12.95%
<i>Other current assets</i>	300.18	262.93	37.25	14.17%
<i>Plant property and equipment</i>	430.90	437.38	(6.48)	(1.48%)
<i>Right-of-use assets</i>	10.45	30.51	(20.06)	(65.74%)
<i>Advance payment for purchased program rights</i>	0.92	497.91	(496.99)	(99.82%)
<i>Program rights</i>	5,241.43	5,073.02	168.41	3.32%
<i>Trademark</i>	1,152.96	1,335.42	(182.46)	(13.66%)
<i>Goodwill</i>	626.08	717.96	(91.88)	(12.80%)
<i>Deferred tax assets</i>	274.02	137.89	136.14	98.73%
<i>Other non-current assets</i>	50.18	68.56	(18.38)	(26.81%)
Total assets	9,376.19	10,865.63	(1,489.43)	(13.71%)

Total Assets

The Company and its subsidiaries had total assets as at 31 December 2023 of THB 9,376.19 million, a decrease of THB 1,489.43 million from 31 December 2022 or 13.71%, due to the followings:

- (1) Cash and cash equivalents decreased by THB 221.92 million or 63.86%. There were net cash inflow by operating activities amounting to THB 1,760.09 million. On the other hand, there were net cash outflow in investing activities amounting to THB 2,276.39 million which mostly composed of payment for purchasing program rights, and net cash inflow from financing activities THB 266.46 million which mainly came from capital increase amounting to THB 800.49 million, debenture issued during the period amounting to THB 673.58 million and short-term loan from non-bank institution amounting to THB 180.00 million, on the cash payment on financing activities are paid for debentures amounting to THB 848.05, loan from financial intuitions, loan from related party amounting to THB 300 and liabilities under the claim transfer agreement.
- (2) Trade and other accounts receivable decreased THB 723.48 million or 44.66% mainly from sales of program rights significant decrease during the 4th quarter of 2023. The Company had contacted the outstanding account receivables to confirm the payment of outstanding balance which the oversea account receivables plan to start repayment from October 2023 onwards. However, the oversea account receivables mostly have not paid as plan.

The Company and its subsidiaries had accounts receivable as presented in the consolidated statement of financial position as at 31 December 2023, in the amount of THB 896.62 million consisted of trade account receivable amounting of THB 876.93 million and other receivables amounting of THB 19.69 million.

The almost of oversea trade accounts receivable of the Company and its subsidiaries are overdue accounts receivable. According to the management's assessment, there are 3 related policies have been reviewed and improved such as Policy on Setting Allowances for Doubtful Debts, Policy for Granting Credit to Customers (new and existing customers), and Debt Collection Policy (policy for Managing Long Outstanding Debts and Returned Cheques). The review had considered both quality and quantity angles in order to improve the practical operation and management, avoid the risk on uncollectable receivable and the efficiency of cash flow management. According to the revised Policy on Setting Allowances for Doubtful Debts, the impairment of the Company's assets was compared by considering the indications of each type of asset with the value from an external independent appraiser, the allowance for expected credit losses as at 31 December 2023 was THB 494.86 million or approximately 38.52%. Furthermore, as policy for granting credit to individual customers, customers will not be able to purchase additional copyrights if they have outstanding unpaid balances.

Other receivables balance of THB 19.69 million consisting of Other receivables-non related parties THB 3.47 million and accrued income-related parties amounting of THB 16.22 million.

- (3) Other current financial assets decreased THB 100.16 million mainly from selling the investing in trading security funds totaling THB 100 million during the year.
- (4) Value added tax receivable increased by THB 30.57 million or 12.95% which related to the increase of Content Account Payable.

- (5) Other current assets consisted of withholding tax waiting for refund, undue value added tax, prepaid expenses and prepayments were increased THB 37.25 or 14.17% mainly from withholding tax waiting for refund increased THB 50.32 million and undue value added tax increased THB 29.54 million whereas the others decreased.
- (6) Investment in associated companies, the Company had completed the transaction for the sale and transfer of 100% of JKN Legacy's shares to its subsidiary (100% hold by the Company) at a total price of USD 14,500,000. This share transfer transaction for the Shareholding Restructuring was completed on October 11, 2023 ("Shareholding Restructuring"). This restructuring aims to suit international investors better to expand their business efficiently into the international market, aligning with the Company's plans and strategies for expanding and enhancing the Miss Universe brand to maximize benefits for the Company and its shareholders. The restructuring will enhance operational flexibility in the business management of JKN Legacy and its subsidiaries, optimizing financial and revenue management and ensuring clear and appropriate separation of business segments.
- (7) Program rights increased by THB 168.41 million or 3.32%. During this period, the Company had invested by purchasing the program rights of THB 2,356.76 million that can be categorized an acquisition of the program rights to domestic sales and acquisition of the program rights to export sales to support the growth of the export sales of program rights both in Southeast Asia including South Asia. In accordance with the amortization to be expense was THB 1,346.94 million and recognized an Impairment loss of Intangible asset-program rights amount of THB 841.97 million.
- (8) Trademark decreased amounting of THB 182.46 million due to amortization and recognized an Impairment loss on Trademark amount of THB 179.64 million.

<i>Baht: Million</i>	2566	2565	+/(-)	+/(-%)
Liabilities				
<i>Short-term loan from financial institution</i>	347.80	340.46	7.34	2.16%
<i>Trade and other accounts payable</i>	849.95	917.78	(67.83)	(7.39%)
<i>Short-term Loan from related party</i>	-	300.00	(300.00)	(100.00%)
<i>Short-term Loan from Non related party</i>	180.00	-	180.00	100.00%
<i>Current portion of long-term loan from financial institution</i>	336.43	323.17	13.26	4.10%
<i>Current portion of debentures</i>	3,199.83	1,297.73	1,902.10	146.57%
<i>Current portion of lease liabilities</i>	3.30	10.68	(7.37)	(69.06%)
<i>Current portion of Convertible Bond</i>	1,016.91	-	1,016.91	100.00%
<i>Current portion of liabilities under the transfer of claims agreement</i>	-	63.79	(63.79)	(40.54%)
<i>Other current liabilities</i>	563.79	157.36	406.44	258.29%
<i>Convertible debentures - liability component</i>	-	1,061.42	(1,061.42)	(100.00%)
<i>long-term loan from financial institution - net of current portion</i>	-	214.66	(214.66)	(100.00%)
<i>Debentures - net of current portion</i>	-	2,061.55	(2,061.55)	(100.00%)
<i>Long-term lease liabilities - net of current portion</i>	3.09	15.79	(12.70)	(80.45%)
<i>liabilities under the transfer of claims agreement - net of current portion</i>	-	23.93	(23.93)	(100.00%)
<i>Other non-current liabilities</i>	314.83	307.49	7.34	2.39%
Total liabilities	6,815.94	7,095.81	(279.88)	(3.94%)
Shareholders' equity				
<i>Equity attributable to owners of the Company</i>	2,564.08	3,812.77	(1,248.69)	(32.75%)
<i>Non-controlling interests of the subsidiary</i>	(3.82)	(42.96)	39.14	(91.11%)
Total shareholders' equity	2,560.26	3,769.81	(1,209.56)	(32.09%)
Total liabilities and shareholders' equity	9,376.19	10,865.63	(1,489.43)	(13.71%)

Total Liabilities

The Company and its subsidiaries had total liabilities as at 31 December 2023 of THB 6,815.94 million, a decrease of THB 279.88 million or 3.94% which mainly due to the following reasons (1) A decrease in balance of trade and other accounts payable, especially creditors arising from the purchased of program rights THB 67.83 million. (2) The decrease in short-term loan from related party THB 300.00 million. (3) Loan from other party THB 180 million. (4) The decrease in loans from financial institutions THB 214.66 million (5) The net decrease from bond issuing and payment THB 159.45 million. (6) The decrease from payment liabilities under the claim transfer agreement THB 87.72 million. And (7) The increase in other current liabilities such as advance receive for rights THB 156.55, deferred income THB 245.16 million, and withholding tax and value added tax for submission amounting of 87.99 million.

However, on the maturity date of the JKN239A Debenture, 1 September 2023, the Company did a partial repayment in principal and total interest which had considered as the default on repayment of

JKN239A Debenture. Consequently, on 27 September 2023 the Company convened the debenture holders' meeting for the JKN239A Debenture which the meeting resolved to approve (a) the extension of the debenture maturity date without being considered as an event of default, (b) the partial repayment of bond principal THB 19.5 million and interest on 15 December 2023 and the balance amounting of THB 432.45 million and interest on 23 February 2024, (c) an increasing of the debenture interest rate from 6.6% to 7.0% and any other related documents to be consistent with such amendment; and (d) the request to waive the default of principal and interest payment which was due on 1 September 2023 was not considered as an event of default according to the terms and conditions and not immediately call default.

In this regard, on 5 September 2023, the Company had received the letters from the Debenture Holder Representatives inquired on the solutions on the event of Default of the JKN239A Debenture and notification of Cross Default on the existing Company's 6 series of debenture according to the terms and conditions of each debenture. According to the resolution of the debenture holders' meeting for the JKN239A Debenture held on 27 September 2023, the Company is to convene the debenture holders' meeting of the Company's 6 series of debenture on 8 December 2023 to consider requesting for a waiver from the breach of the terms and conditions of the rights.

The Company has engaged KPMG Phoomchai Business Advisory Ltd. ("KPMG") to assist with debt restructuring advisory services, to support the Company in preparing a repayment plan and communications and negotiations with creditors in order to restructure the debts. KPMG are undertaking to analyse historical financial performance, cash flow and balance sheet and the Company's business plan to prepare a specification for the financial model development, develop and analyse set of options in order to present the refine options and proposed repayment plans to bondholders and creditors.

Later on 8 November 2023, the petition for business rehabilitation has already been filed to the Central Bankruptcy Court under the Bankruptcy Act, B.E. 2483 (1940) according to the resolution of the Board of Directors meeting No. 10/2023 held on November 7, 2023 has resolved. On 9 November 2023, the Central Bankruptcy Court issued an order to accept the petition for business rehabilitation of the Company. In this regard, the Central Bankruptcy Court has set the hearing date for the petition for business rehabilitation on January 29, 2024. the substance of the business rehabilitation petition as follows:

1. The Company, as a debtor, submitted a petition for rehabilitation to the Central Bankruptcy Court.
2. The Company proposed JKN Global Group Public Company Limited as a planner.
3. Preliminary business rehabilitation plan guideline includes:
 - 3.1. Business restructuring and financial restructuring to be in line with the current financial assumptions and economic conditions and solving working capital problems of the business to resolve the financial liquidity of the Company and restructure the internal organization.

- 3.2. Extending the period for the repayment of debt and waiving interest rate in order that the Company can generate income from operation to repay all of its creditors and continue to operate its business.
- 3.3. Receiving financial support from new investors or financial institution as a source of funds to utilize as working capital of the Company.
- 3.4. Providing guideline for the sale of worthless or non-productive asset in order to repay the creditors with the income from such sale.
- 3.5. Preparing the plan and strategy to manage liquidity of the Company, improving internal business organization and increasing business's efficiency.

The Company have appointed the of relevant consultants as follows:

1. The Far East Law Office (Thailand) Company Limited, as the Legal consultant to carrying out the business rehabilitation process of the Central Bankruptcy Court.
2. Ploenchit Advisory and Planner Company Limited, as the Financial consultant to preparing a business rehabilitation plan to present to creditors and the Central Bankruptcy Court.

However, on the scheduled date for the court hearing (29 January 2024), the court had reviewed the Company's request to postpone the hearing date, citing the unavailability of the designated person responsible for presenting all matters related to the petition, who was unable to attend court due to illness and no objections were raised by any creditors. In this regard, the court had considered that the designated person's inability to attend the court hearing due to illness, supported by a presented medical certificate, deems it a Force Majeure event, and therefore, granted permission to postpone the scheduled hearing date to March 5, 6, and 7, 2024. The court further instructed the Company's attorney to prepare witnesses for examination on March 5, 2024, and the opposing party's witnesses to be ready for examination on March 6, 2024.

On 5 March 5 2024 the Thai Bankruptcy Court has completely examined testimonies of the petitioner and the opposing party, and has scheduled the hearing date on April 23, 2024, while cancelling the appointments on March 6 and 7, 2024. Additionally, this does not impact the Company's business operations by any means.

Consequent the Company convened the debenture holders' meeting for the JKN239A Debenture held on 27 September 2023 which the meeting resolved to approve the extension of the debenture maturity date without being considered as an event of default, and the partial repayment of bond principal. On March 1, 2024, the Company received a notice of default from Asia Plus Securities Company Limited, the bondholders' representative, notifying the Company's default on the repayment and requesting the prompt repayment for the principal and interest, as the Company did not make payment of the principal and interest when due in accordance with its terms, constituting a default under clause 12.1 (a) of the terms and conditions of the JKN239A Debentures (the "Terms of Right"), and demanding the Company to repay the outstanding principal and interest as per the terms specified in the Terms of Rights, calculated until February 23, 2024, totaling THB

467,118,184.93, along with default interest at the rate of 9% per annum from the default date until the Company makes the full payment. The Company is requested to settle the amount within 7 days from the date specified in the aforementioned notice. The Company has sent a response letter to Asia Plus Securities Company Limited updating them on the progress of the Company's business rehabilitation and the Automatic Stay status. Therefore, the Company remains unable to make payment of the principal and interest to the bondholders of JKN239A Debentures unless the Central Bankruptcy Court orders otherwise. Additionally, this encompasses other debentures of the Company, including JKN243A, JKN24OA, JKN24NA, JKN252A, JKN255A, and JKN246A, as outlined in the letter JKNGB-008-11/2023, which the Company disclosed through the information disclosure system of the Stock Exchange of Thailand on November 13, 2023.

Submitting the rehabilitation petition will effectively solve the Company's liquidity problem under legal mechanism and provide fair protection to all stakeholders. In addition, the Company can continue its operation while being under the rehabilitation plan which is a sustainable solution to the problem and to create profits in the future.

Therefore, the Company's financial statements as of 31 December 2023 have classified the outstanding balance of Debentures, Convertible Debentures-liability component and Loans from Financial Institutions being current liabilities classification.

Shareholders' equity

As at 31 December 2023, the Company and its subsidiaries had total shareholders' equity of THB 2,560.26 million which consist of equity attributable to owners of the Company and an accumulated profit of non-controlling interests of the subsidiary amounting to THB 2,564.08 million and THB 3.82 million, respectively, in which decreased by THB 1,248.69 million. The decrease resulted from the operating loss of the Company and its subsidiaries amounting to THB 2,128.11 million, the Company's other comprehensive income from exchange differences on translation of financial statements in foreign currency amounting of THB 27.92 million. The actuarial gain on provision for long-term employee benefits amounting of THB 8.37 million. The decrease of the loss from purchasing share in the subsidiary from non-controlling interest amounting of THB 68.50 million. The increase of capital and share premium from right offering and conversion of convertible debentures to ordinary shares during the current period amounting to THB 153.10 million and THB 766.03 million, respectively, and the decrease of convertible debentures-equity component from issued convertible debentures during the current period amounting to THB 7.49 million.

Liquidity and capital adequacy

As at 31 December 2023 and 31 December 2022, the current ratio of the Company and its subsidiaries were 0.24 times and 0.75 times, respectively, and the quick ratio were 0.16 times and 0.58 times, respectively. The main reason of the drop of those ratios was an arising of current liabilities. The major components of current liabilities are trade and other accounts payable, current portion from short-

term loan and long-term loan from financial institution as described above. Nevertheless, the management is confident that the Company could collect debt from the major customers to repay some short-term liabilities based on the past experiences*.

*Remark: please note the Submitting the rehabilitation petition to the Central Bankruptcy Court under the Bankruptcy Act, B.E. 2483 (1940) under clause “**Total Liabilities**”.

The Debt-to-Equity ratio (D/E ratio) as at 31 December 2023 and 31 December 2022 were 2.66 times and 1.85 times, respectively, due to the decreasing of trade and other accounts payable, especially creditors arising from the purchased of program rights and short-term loan from financial institution, including debentures issuance during the period of the year as described above.