

SET recommends the investors to study JKN's financial statements and monitor the company's clarification

SET requires JKN to clarify the information on the financial statements for the third quarter of 2023, which the auditor does not express a conclusion due to the material uncertainty in continuing operations of the company, and may affect significant value of assets and liabilities, as follow:

- (1) Assessment of impairment of investment assets in subsidiaries, trademark, copyright and goodwill, totaling 10,789 million baht, which is in the process of being evaluated. It may have an impact on the asset value. While the company has shareholders' equity of 4,813 million baht.
- (2) Lack of financial liquidity.
- (3) The default of debt repayment resulted in an event of default requiring repayment of other liabilities totaling 4,558 million baht. The company has not yet set an estimate for the damages and interest on default payments.

In this regard, the information must be clarified through the information dissemination system of SET by December 8, 2023, and investors are requested to study the JKN financial statements and monitor the company's clarification.

Summary of information in the financial statements for the 9-month period of 2023

Details	Value (million baht)	Details and information in the financial statements
Assets that are currently being evaluated to determine whether there may be a value adjustment as the auditor's opinion.		<ul style="list-style-type: none"> Assets that are in the process of being assessed totaling 10,789 million baht, while the company has shareholders' equity of 4,813 million baht. If the impairment of investment assets occurred, this may cause a significant impact on the financial statement.
1.1 Investments in subsidiaries	2,460	
1.2 Miss Universe trademark	1,333	<ul style="list-style-type: none"> The company has not yet sold MN Beverage Co., Ltd. ("MNB") - who manufactures health beverages - for delivery outside and is in the process of considering a new plan. The selling price is 56 million baht, 27% lower than the acquisition price (JKN has been investing for 2 years and has 40 million baht in goodwill). MNB also has outstanding loans totaling 42.4 million baht.
1.3 Copyright	6,278	
1.4 Goodwill on purchases of subsidiaries	718	<ul style="list-style-type: none"> The company disseminated information through the information dissemination system of SET that the board of director resolution on June 29, 2023, approved the sales of 60% of all shares in MNB, indicated that there were no outstanding loans or collateral obligations. (June 30, 2023, company news)
Account receivables - unrelated businesses, 97 % of the outstanding account receivables are from 12 major customers which the company earns royalty income from contracts with	2,334	<ul style="list-style-type: none"> 1,190 million baht of account receivables, accounting for 51% of receivables - unrelated parties. Aging of account receivables more than 6 months old, amounting to 669 million baht, an increase of 77 % from the end of the year 2022. While the company has set an allowance of 88 million baht,

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these customers, accounting for 99 % of the total royalty income. (Note 6 of the financial statements)		
Repayment of short-term loans from directors and large investments in copyrights.		<ul style="list-style-type: none"> For the 2nd- 3rd quarters of 2023, the company was not able to allocate fund to redeem debenture, resulting in defaults on the bond payment of 600 million baht (due on September 1, 2023). After looking into the matter, it was revealed that the company had paid back the short-term loans issued by directors which didn't have interest charges in the total amount of 300 million baht during the 2nd quarter in 2023. and has the investment in copyrights, totaling 2,524 million baht for the 2nd- 3rd quarter in 2023.

Issues to clarify: transaction details, progress of the company's actions, impact on the company's financial status, the company's credit terms policy, the policy of collecting money from customers, the policy of debt collection and debt write-off. In addition, opinions of the board of directors and the audit committee on the above matters for the utmost benefit of the company, its shareholders, and stakeholders.

November 24, 2023
