

Ref. WORK 4/2019 Feb 26, 2019

Re: Management Discussion and Analysis for the year ended December 31, 2018

To: President of the Stock Exchange of Thailand

Attachment: 1. Business Performance Report (Form F45-3)

2. The consolidated and separate financial statement for the year ended December 31, 2018

Workpoint Entertainment Public Company Limited ("The Company") is pleased to submit herewith the consolidated and separate financial statement for the year ended December 31, 2018, with the financial analysis in comparison to the financial statement for the year ended December 31, 2017. The performance can be summarized as follows:

The operating performance of the Company and its subsidiaries for the year ended December 31, 2018 has shown the net profit of THB 345.30 million, decreasing by THB 558.78 million or 62%, from the same period in the previous year which shown the net profit of THB 904.09 million.

Revenue:

For the year ended December 31, 2018, the total Revenue (Excluding Other Income) of the Company was THB 3,594.28 million which represented an decrease of THB 258.22 million or 7% from the total Revenue (Excluding Other Income) of THB 3,852.50 million in 2017. The change of total Revenue was mainly resulted from the following business:

Revenue from Television Programs

Revenue from television programs was comprised of revenue from the advertising and promotion during each broadcasting period of the Company's TV channel ("WORKPOINT TV"), and other online media channels such as YouTube. Revenue from television programs also includes revenue from Renting Air time to 3rd parties for TV program broadcasting on WORKPOINT TV, revenue from the production of TV programs for 3rd parties for broadcasting on WORKPOINT TV, and revenue from sales of TV program licenses.

For the year ended December 31, 2018, the Company had the revenue from television programs at THB 2,968.24 million, decreasing by THB 510.11 million or 15% from 2017. The decrease of revenue from TV programs, was mainly from the decrease of revenue from WORKPOINT TV as the industry had become more competitive. However, in 2019, with the new TV program plan adjusted by the Company, WORKPOINT TV's popularity is expected to increase respectively.

Revenue from Event Marketing

Revenue from event marketing was comprised of the revenue from event activities arranged by the company and event activities which the Company organized for 3rd parties. In 2018, the Company had the revenue from event activities at THB 188.35 million, increasing by THB 50.34 million or 36% from the revenue at THB 138.01 million in 2017. The Company had more events in 2018 than the previous year. Major events in 2018 were "PRUcycle Thailand", Thailand industry expo 2018 and "Siam Street Fest 2018" etc.

Revenue from Concerts and Plays

Revenue from concerts and plays was comprised of the revenue from concerts and plays produced by the Company, and revenue from Playhouse's title sponsor. The Company had the revenue from concerts and plays in 2018 at THB 266.80 million, increasing by THB 82.47 million or 45% from the revenue at THB 184.33 million in 2017. The Company had more concerts and plays than the previous year. Major concerts and plays in 2018 were "The Rapper



Concert" and "Hom-Rong The Musical", "The Mask Singer 3 Concert" etc. Moreover, in 2018, the Company organized a big concert called "Wanna One World Tour in Bangkok". The Concert was successful and well response by the audience.

Revenue from sale of goods and rendering of other services

Revenue from sale of goods and rendering of other services was comprised of the revenue from area rental in the Company's Playhouse, profit from Artist management and the revenue from sale of health and beauty products. The Company had revenue from sale of goods and rendering of other services for the year ended December 31, 2018 at THB 169.85 million, increasing by THB 118.10 million or 228% from the revenue at THB 51.75 million in 2017. The significantly increase was mainly from the increase of the revenue from sale of health and beauty products. In 2018, the Company had 2 brands in health and beauty product category which were "Let Me In Beauty" and "Me Vio". "Let Me In Beauty", had been launched since September 2017. Currently, there are 10 products, most of which are skin care products, distributed in 4 main channels which are retail stores (such as Watson, Eveandboy and 7-11, etc.), online channels, sales agents and TV Shopping program ("Star Review") broadcasting on WORKPOINT TV. Meanwhile, "Me Vio" had been launched since November 2018. Presently, there is 1 product in the category of health supplement products, distributed mainly through sales agents.

Costs:

For the year ended December 31, 2018, the Company had total costs at THB 2,231.17 million, increasing by THB 489.89 million or 28% from the total costs at THB 1,741.28 million in 2017. The increase in the total costs was mainly from an increase in costs from the business of Television programs as the Company had a live broadcasting of "Asian Games" sport event in 2018. Moreover, the increase in the total costs was from an increase in costs from the business of Concerts and Plays as the Company organized a big concert in 2018. In addition, the Company also had costs from sale of goods and rendering of other services at THB 71.37 million, increasing by THB 48.09 million or 207% from costs from sale of goods and rendering of other services at THB 23.28 million in 2017. The significantly increase was mainly from sale of health and beauty products under brand "Let Me In Beauty" and brand "Me Vio".

Selling and Administrative Expenses:

For the year ended December 31, 2018, the Company had selling and administrative expenses in total at THB 858.79 million, slight increasing by THB 0.83 million or 0.1% from 2017 in which the Company had selling and administrative expenses in total at THB 859.62 million. The increase was mainly from the increase of advertising and promotion expenses for sale of health and beauty products under brand "Let Me In Beauty" and brand "Me Vio". Even though the advertising and promotion expenses had increased, the Company had a proper management in other expenses, resulting in a slight increase in selling and administrative expenses.

Please be informed accordingly.

Best Regards,

Workpoint Entertainment Public Company Limited

(Mr. Surakarn Sirimothya)

Chief Financial Officer

Authorized to sign on behalf of the company