

Clarification on Percentage of Change More Than 20%

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the ended 31 December 2017 represented a loss of Baht 2,156.49 million. Compared to the same period of 2016, the loss was Baht 1,179.47 million (restated), an increase loss of 83%. The Company would like to clarify a significance change of Group's operation results were summarised as follows

1. Revenue from sales and services for the year 2017 decreased by 11% compared to the same period of 2016. The main reasons is from economic slowdown which affected advertising revenue decreased by 10% and circulation revenues of newspaper, pocket books and children books decreased by 25%.
2. Costs and expenses for the year 2017 increased by 31% compared to the same period of 2016.

The main reasons were:

- Cost of goods sold and services decreased 15% in line with the decreased in revenues from sales and services.
- Distribution costs and administrative expenses decreased 20% due to in the second quarter of 2016, the subsidiaries have recognised a provision for inventory obsolescence and written-off the licences for publication from their restructuring of Baht 204.45 million.
- The subsidiary and indirect subsidiary recognised impairment loss of digital terrestrial television licenses and relating assets at the amount of Baht 1,479.09 million in 2017. The impairment of assets related to the licenses were estimated the recoverable amount of value in use, determined by discounted future cash flows, the terminal growth rate and discounted rate used in the assumptions are based on management of the subsidiary and indirect subsidiary's judgment and past experience and business plan, as well as the future prediction that is believed to be reasonable in the present situation and compared to the carrying amount of assets related to the licenses.

In addition, the Group has adjusted and restated the financial statements, which effect to accrued income decreased of Baht 690.80 million and deficit increased of Baht 690.74 million in the consolidated statement of financial position as at 31 December 2016 and also the Group's operation results from sales and rendering of services in the consolidated statement of comprehensive income for the year ended 31 December 2016 decreased of Baht 75.73 million. Since the Board of Directors and management had doubts concerning the recognition of advertising revenue during 2017 and previous years. In this respect, the directors and management of the Company have investigated the Group's and the Company's processes and procedures over the recognition of advertising revenues. As a result, the management have noted that some previously recognised advertising revenue had not been adequately supported with proper evidences. Consequently, the management has adjusted and restated the relevant financial statements as described above.

Conclusion :

The Group reported a loss for the year ended 31 December 2017 was Baht 2,156.49 million. Compared to the same period of 2016, the loss was Baht 1,179.47 million (restated).