

15 May 2019

Subject : Management's Discussion and Analysis for the first quarter 2019 operating results that varied more than 20% compared to the same period of 2018

To : The President of the Stock Exchange of Thailand

The Company would like to provide details of changes in profit and loss of the first quarter 2019 interim consolidated financial statements of Wave Entertainment PLC as follows:

	Q1/2019		Q1/2018		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
<b>Revenue Segment Information</b>						
Entertainment and marketing activities	299.70	52%	307.20	54%	(7.50)	-2%
Language institute	142.70	25%	110.48	20%	32.22	29%
Restaurant	133.73	23%	146.40	26%	(12.67)	-9%
<b>Total Revenue</b>	<b>576.13</b>	<b>100%</b>	<b>564.08</b>	<b>100%</b>	<b>12.05</b>	<b>2%</b>
<b>Cost</b>						
Gross profit	186.37	32%	201.80	36%	(15.43)	-8%
Other Revenues & Profit Sharing	19.71	3%	35.08	6%	(15.37)	-44%
Selling and admin expenses	(219.87)	-38%	(229.18)	-41%	(9.31)	-4%
Financial cost	(13.42)	-2%	(13.57)	-2%	(0.15)	-1%
Tax	(3.99)	-1%	(7.14)	-1%	(3.15)	-44%
<b>Net Profit (loss)</b>	<b>(31.19)</b>	<b>-6%</b>	<b>(13.01)</b>	<b>-2%</b>	<b>18.18</b>	<b>140%</b>
<b>Profit (loss) attributable to</b>						
<b>Owner of the parent</b>	<b>(37.70)</b>	<b>-7%</b>	<b>(53.81)</b>	<b>-10%</b>	<b>(16.11)</b>	<b>-30%</b>
Non-controlling interest	6.51	1%	40.80	7%	(34.29)	-84%
<b>Profit (loss)</b>	<b>(31.19)</b>	<b>-6%</b>	<b>(13.01)</b>	<b>-2%</b>	<b>18.18</b>	<b>140%</b>

The Group's total revenue for the first quarter 2019 was at THB 576.13 million, increasing by THB 12.05 million or 2% up from the same period of last year. Details of each business revenues are:

- Language institute business increased THB 32.22 million, up 29% compared to the same period of last year as a result of new branch opening at The Mall Bangkok in October 2018, resulting in the growth in this quarter revenue recognition compared to last year. Moreover, the group has opened a new branch at Central Plaza Chaengwattana in May 2019.
- Restaurant business decreased THB 12.67 million, down 9% compared to the same period of last year mostly from the closure of 14 non-profitable branches in 2018.
- Entertainment and marketing activities business decreased THB 7.50 million, down by 2% compared to the same period of last year.

The Group's total costs for the first quarter was at THB 389.76 million, an increase of THB 27.48 million or 8% over the same period of last year mostly from the Entertainment and marketing activities business. As a result, Gross Profit of the group was THB 186.37 million (32% of total revenue), a decrease of THB 15.43 million or 8% down compared to the same period of last year. Total selling and administrative expenses for the first three-month were at THB 219.87 million, a slight decrease of THB 9.31 million compared to the same period of last year.

Other revenue and profit sharing from associates and joint ventures was at THB 19.71 million, down by THB 15.37 million compared to the same period of last year due to the bad debt recovery received in the first quarter of last year. This resulted in the first quarter owner of the parent loss of THB 37.70 million, down by THB 16.11 million or 30% compared to the same period of last year.

As of 31 March 2019, the Group's accounts receivables decreased by THB 112.84 million whereas lands, buildings and equipment were down by THB 39.34 million from annual depreciation and divestment of assets. As a result, the Group's total assets stood at THB 3,199.56 million, down by THB 71.58 million or 2% compared to the same period of last year. The Group's total liabilities was down by THB 34.75 million compared to the same period of last year as debts had gradually been repaid.

Please be informed accordingly,

Yours sincerely,

*-Mr. Matthew Kichodhan-*

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Chairman and CEO