

Clarification on Percentage of Change More Than 20%

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the six-month period end 30 June 2019 represented a profit of Baht 66.44 million. Compared to the same period of 2018, the loss was Baht 259.31 million, increased profit of 126%. Excluding, the recognition of the excess of compensation from returning digital television license of Baht 331.35 million, the Group incurred a net loss for the six-month period end 30 June 2019 of Baht 264.91 million. The Company would like to clarify a significance change of Group's operation results were summarized as follows

1. Revenue from sales of goods and rendering of services for the six-month period of 2019 decreased by 10% compared to the same period of 2018. The main reasons is from consumers have change behavior which affected circulation revenue decreased by 16% whereas advertising revenues and event increased by 9%.
2. Excess of compensation from returning digital television license increased of Baht 331.35 million due to on 11 April 2019, the National Council for Peace and Order ("NCPO") has released the order NO. 4/2562 in subject of a measure to solve the problems of the operations of the Television and Telecommunication. On 2 May 2019, the Office of the National Broadcasting and Telecommunications Commission ("NBTC") has released the order of criteria, procedures, and conditions for compensation as a result of the return of the license to use the spectrum to provide Digital Television Services. The service users who had intended to return the license was required to inform in writing within 10 May 2019. The request for a return of such license is considered a request to cancel the license.

A subsidiary has submitted for the returning of it Digital TV license to NBTC, and obtained letter of the approval of the returning on 27 June 2019 and the notice of the date of service termination on 15 August 2019. In this regard, the Group has recognized the excess of such compensation net of the carrying value of digital television license amounting to Baht 331.35 million. According to the notification letter on 26 July 2019, NBTC has issued to approve the compensation for the subsidiary amounting to Baht 890.83 million by deducting the payable of license fee instalment payments no.4 amounting to Baht 215.07 million (included VAT). Therefore, the remaining compensation would be received in amounting to Baht 675.76 million.

3. Costs and expenses for the six-month period of 2019 increased by 4% compared to the same period of 2018. The main reasons were cost of production, employee benefit expense and cost of event increased. However, the written-off of TV program license decreased from the same period of 2018.

Conclusion:

The Group reported a profit for the six-month period ended 30 June 2019 was Baht 66.44 million. Excluding, the recognition of the excess of compensation from returning digital television license of Baht 331.35 million, the Group incurred a net loss of Baht 264.91 million. Compared to the same period of 2018, the loss was Baht 259.31 million.