

11 May 2018

Subject : Management's Discussion and Analysis for the first quarter 2018 operating results that varied more than 20% compared to the same period of 2017

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 2018 interim consolidated financial statements of Wave Entertainment PLC as follows:

	Q1/2018		Q1/2017		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
<b>Revenue Segment Information</b>						
Entertainment and marketing activities	307.20	54%	298.41	54%	8.79	3%
Restaurant	146.40	26%	153.55	28%	(7.15)	-5%
Language institute	110.48	20%	100.63	18%	9.85	10%
<b>Total Revenue</b>	<b>564.08</b>	<b>100%</b>	<b>552.59</b>	<b>100%</b>	<b>11.49</b>	<b>2%</b>
Cost	362.28	64%	392.17	71%	(29.89)	-8%
Gross profit	201.80	36%	160.42	29%	41.38	26%
Other Revenues & Profit Sharing	35.08	6%	17.44	3%	17.64	101%
Selling and admin expenses	(229.18)	-41%	(236.15)	-43%	(6.97)	-3%
Financial cost	(13.57)	-2%	(14.05)	-3%	(0.48)	-3%
Tax	(7.14)	-1%	(0.31)	0%	6.83	2203%
<b>Net Profit (loss)</b>	<b>(13.01)</b>	<b>-2%</b>	<b>(72.65)</b>	<b>-13%</b>	<b>(59.64)</b>	<b>-82%</b>
<b>Profit (loss) attributable to</b>						
<b>Owner of the parent</b>	<b>(53.81)</b>	<b>-10%</b>	<b>(75.20)</b>	<b>-14%</b>	<b>(21.39)</b>	<b>-28%</b>
Non-controlling interest	40.80	7%	2.55	0%	38.25	1500%
<b>Profit (loss)</b>	<b>(13.01)</b>	<b>-2%</b>	<b>(72.65)</b>	<b>-13%</b>	<b>(59.64)</b>	<b>-82%</b>
<b>EBITDA</b>	<b>42.49</b>		<b>(22.12)</b>		<b>64.61</b>	<b>292%</b>

The Group's total revenue for the first quarter 2018 was at THB 564.08 million, increasing by THB 11.49 million or 2% up from the same period of last year. Details of each business revenues are:

- Language institute business increased THB 9.85 million, up 10% compared to the same period of last year as a result of effective marketing campaigns leading to strong response from target groups. There were also 2 new center launches: Maya shopping center in Chiangmai and Central Rama 2, all contributing to the growth in this quarter revenue recognition compared to last year.
- Restaurant business decreased THB 7.15 million, down 5% compared to the same period of last year mostly from the closure of 4 non-profitable branches in this quarter.
- Entertainment and marketing activities business increased THB 8.79 million, up 3% compared to the same period of last year mostly due to the recent popular Oon Ai Rak Klay Kwam Nao (Love and Warmth at Winter's End) festival on the grounds of Dusit Palace initiated by His Majesty King Maha Vajiralongkorn in this quarter.

The Group's total costs for the first quarter was at THB 362.28 million, a decrease of THB 29.89 million or 8% drop over the same period of last year due to the extensive cost reduction measures. As a result, Gross Profit of the group was THB 201.80 million (36% of total revenue), an increase of THB 41.38 million or 26% up compared to the same period of last year. Total selling and administrative expenses for the first three-month were at THB 229.18 million, a slight decrease of THB 7 million compared to the same period of last year.

Other revenue and profit sharing from associates and joint ventures was at THB 35.08 million, up by THB 17.64 million compared to the same period of last year. The increase was mostly due to the bad debt recovery of THB 14.02 million. This resulted in the first quarter Group operating result loss of THB 13.01 million, decreased by THB 59.64 million or down 82% and loss decreasing in parent owner by THB 21.39 million or down 28% compare to the same period of last year.

Due to increasing in Revenue and decreasing in Cost and Selling and Admins expenses, as a result of operating profit before depreciation, amortisation, interest and tax payment was at THB 42.49 million, an increase THB 64.61 million or up 292% compare to the same period of last year.

As of 31 March 2018, the Group's total asset was at THB 3,362.15 million, increasing by THB 156.02 million, or a 5% up compared to the same period of last year. This was mostly the increase in cash from capital recapitalization in Private Placement to The Mall Group, the new strategic partner, in March 2018. As a result, the Group's total equity increased by THB 154.25 million compared to 2017.

Please be informed accordingly,

Yours sincerely,



Mr. Matthew Kijchodhan  
Chairman and CEO