

L-WAVE ENT 49/14

14 August 2014

Subject : Explanation the cause of change in profit (loss) and MD&A on the Company's operation of Q2/2014

To : The President of The Stock Exchange of Thailand

**According to the reviewed consolidated financial statements by the auditor of WAVE Entertainment Public Company Limited, Q2/2014** shown as follows:-

It's a strong quarter performance of the Group since the acquisition of Efficient English Co., Ltd. the "Wall Street English" in May 2014 resulted in a second quarter revenue of Baht 131.29 million, up from Baht 43.87 million in the same quarter last year which signifies a 199% increase, or Baht 87.42 million. The Group's revenue from the first 6 months of 2014 was Baht 149.18 million, rose slightly Baht 0.20 million compared to the same period of last year as there was income from motion pictures, soap opera and concert activities in early 2013 compared to nil in 2014 due to timing schedule later in the year.

Total costs for Q2 2014 rose 194% to close at Baht 101.30 million, a Baht 66.90 million increase over Baht 34.41 million in the same quarter of last year. Total costs for the first 6 months of 2014 was at Baht 117.22 million, increasing Baht 7.86 million over the corresponding period of last year in line with the increase in revenue pertaining to the mentioned new business acquisition in Q2.

Selling and administrative expenses for the first 6 months of 2014 was at Baht 68.54 million, a Baht 33.79 million increase over last year's Baht 34.75 million, majority of which was from the added staffing and marketing activities.

Despite unfavorable impact from political and economic unrest throughout the first half of 2014, the Group has received share of profit from its investment in TSE at Baht 162.01 million, Baht 127.51 million more than the corresponding period of last year of Baht 34.50 million, or a 370% increase. The Group expects that such income will continue to grow as the total of 10 PV power plants has commenced their operations since June this year. As a result, the Group's Q2 net profit rose to Baht 122.90 million or a 1,536% increase, whereas the first 6 months figure was Baht 121.26 million or a 243% increase over the same period of last year at Baht 35.34 million.

As a result of the Wall Street acquisition, the Group's total assets as of 30 June 2014 rose to Baht 1,795.61 million, up Baht 1,267.39 million or 240% from the same period in 2013. Liabilities rose Baht 1,146.13 million or a 1,742% increase from long-term debt, advances received and accrued expenses. Equity increased by Baht 121.26 million as a result of investment gain in associate.

Please be informed accordingly.



Yours sincerely,

Mr. Matthew Kichodhan  
Chairman and CEO