

Clarification on Percentage of Change More Than 20%

The consolidated financial statements of Nation International Edutainment Public Company Limited and its subsidiaries for the nine-month period ended 30 September 2016 represented a loss of Baht 176.33 million. Compared to the same period of 2015, the loss was Baht 9.89 million, an increase loss of 1,683%. Since the shift of consumer behaviors, the Company has considered the effect of such changes and continually resolving its operations and the Group has restructured of the publishing and distribution of publications by setting an increase in provision for inventory obsolescence in accordance with the current situation and focusing on the publishing and distributions of certain profitable publications. This included the implementation of plans to control and saved production costs by continually reducing cost, management expenses, distribution expenses and other administrative expenses. Moreover, the business alliance for the investment is in the process of assessing the business valuation. The Company would like to clarify significant changes in the Group's operating results are as follows:

1. Revenues from sales and services for the nine-month period of 2016 decreased 29% compared to the same period of 2015. The main reasons were:
 - Revenues from circulation decreased 22% with circulation revenue of pocket books decreased 35%, comic books decreased 25% and foreign publication decreased 35% . Whereas, revenue from children books increased 11%.
 - Revenues from rendering of services decreased 38% with publishing, distributing and other service from foreign publications decreased 38% and revenues from advertising and production of program in Digital TV decreased 67%.
2. Costs and expenses for the nine-month period of 2016 increased 85% compared to the same period of 2015. The main reasons were:
 - Cost of goods sold decreased 34% in line with circulation revenue.
 - Cost of rendering of services decreased 28% in line with service revenue.

- Selling and administrative expenses decreased 13% due to the decreased in sale promotion and marketing expenses.
- Loss on business restructuring increased of Baht 204.45 million due to the Group has restructured of the publishing and distribution of publications due to the shift of consumer behaviors. The Group has set up a provision for inventory obsolescence and written-off the licences for publication in accordance with the current situation for the nine-month period ended 30 September 2016 amounted to Baht 193.48 million and Baht 10.97 million.

Conclusion :

The Group reported a loss for the nine-month period ended 30 September 2016 was Baht 176.33 million. Compared to the same period of 2015, the loss was Baht 9.89 million.