

Clarification on Percentage of Change More Than 20%

The consolidated financial statements of Nation International Edutainment Public Company Limited and its subsidiaries for the six-month period ended June 30, 2018 represented a loss before the provision for doubtful accounts of Baht 24.13 million. Inclusive of the provision for doubtful accounts of Baht 54.09 million, and impair on investment of Baht 5.45 million, the operations for the six-month period ended June 30, 2018 showed a loss of Baht 83.66 million. Compared to the same period of 2017, the loss was Baht 0.53 million, a decline of 15,684%. 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 six-month period of 2018 decreased 28% compared to the same period of 2017. The main reasons were:
 - Revenues from circulation decreased 44% with circulation revenues of comic books and children books decreased 49%, and revenue of pocket books decreased 31%.
 - Revenues from rendering of services decreased 10% due to less spread from publishing, distributing and other service from foreign publications.
2. Costs and expenses for the six-month period of 2018 increased 85% compared to the same period of 2017. The main reasons were:
 - Cost of goods sold decreased 1%. On the Other hand, sales decreased 48% but there are cost of free sheets of related parties of Baht 2.6 million.
 - Selling and administrative expenses increased 254% since the Group recognised provision for doubtful accounts from related parties amounted to Baht 54.09 million and impaired on investment Baht 5.45 million.

Conclusion :

The Group reported a profit for the six-month period ended June 30, 2018 showed a loss of Baht 83.66 million. Compared to the same period of 2017, the loss was Baht 0.53 million, a decline of 15,684%