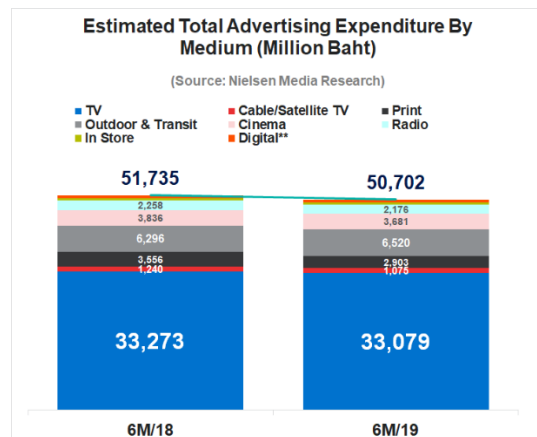




Executive Summary

Economic Overview and Market Situation

The Thai economy during the first half of 2019 faced periodic pressures from trade wars between China and the United States, including issues in the European Union from the withdrawal of the United Kingdom from the European Union (Brexit). In addition, the domestic economy remained weak as exports grew lower than expected. Despite the March election, political uncertainties continued as the establishment of the government was delayed. This raised concerns for the stability of the government in the future, leading to the Household and Business sectors adjusting their spending and investment to match higher economic risks both from within and outside the country. Consequently, advertisers delayed their advertising spending and had to follow the details of the economic stimulus measures after the Cabinet took office. These measures would likely partly help support spending and alleviate the cost of living of Thai households.

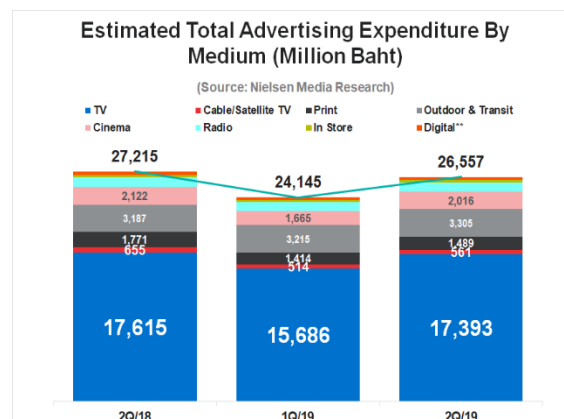


**Digital Media (Digital + Internet) Since June 2019 number of website increased from 60 to 200 websites

Nielsen Media Research ("Nielsen") reported that advertising expenditures (AdEx) in the first half of 2019 (6M/19) at Baht 50,702 million, a decline by Baht 1,033 million or 2% when compared to the first half of 2018 (6M/18) at Baht 51,735 million. The largest decline was from the Print category, (decreased by 18.4%) and TV-Cable/Satellite category (decreased by 13.3%). The highest growth was from the Outdoor and Transit categories which grew by 3.6%. Total TV group (TV + Cable/Satellite TV) spending was at Baht 34,154 million, a decrease of 1.0% YoY.

New media (Digital) was at Baht 754 million, a decline by 1.0% YoY.

The AdEx in 2Q/19 was at Baht 26,557 million, increasing by 10% QoQ from 1Q/19 at Baht 24,145 million but decreased by 2.4% YoY from 2Q/18 at Baht 27,215 million. The highest growth media is Cinema with spending of Baht 2,016 million in 2Q/19, increasing by 21.1% QoQ from 1Q/19 at Baht 1,665 million but declined by 5% YoY from 2Q/18 at Baht 2,122 million. The Digital media in 2Q/19 was at Baht 400 million, 13.0% increase QoQ from 1Q/19 at



**Digital Media (Digital + Internet) Since June 2019 number of website increased from 60 to 200 websites



Baht 354 million but decreased by 2.7% YoY from 2Q/18 at Baht 411 million. The Cable/Satellite TV category was at Baht 561 million in 2Q/19, a 9.1% increase QoQ from 1Q/19 at Baht 514 million but reduced by 14.4% YoY from 2Q/18 at Baht 655 million. The total TV group (TV + Cable/Satellite TV) spending was at Baht 17,954 million in 2Q/19, an increase by 10.8% QoQ from 1Q/19 but lower by 1.7% YoY from 2Q/18. However, excluding the impact of the increase in Home Shopping programs, the total TV group AdEx will be at Baht 15,653 million, an increase of 11.5% QoQ from 1Q/19 at Baht 14,042 million and a decline of 4.1% YoY from 2Q/18 at Baht 16,328 million.

From AdEx as mentioned above, total revenue of BEC Group in 2Q/19 was at Baht 2,092.3 million, a 3.4% increase QoQ from 1Q/19 but a 22.8% decrease YoY from 2Q/18. BEC Group reported consolidated net loss attributable to BEC World of Baht 103.6 million with net cash flow from operation of Baht 1,575.1 million as at ending 2Q/19.

In addition, in the 2Q/19 as of 11 April 2019 website of Royal Thai Government Gazette announce order of Head of NCPO (National Council for Peace and Order) 4/2019, The Measures to Solve the Problems in Television and Telecommunications Business Operations. The Order's Article 10 provided an opportunity for the licensees to return the license by giving a written notice to NBTC within 30 days. On 10 May 2019, BEC-Multimedia Co., Ltd. (BECM), the subsidiary company of BEC World Public Company Limited (BECW), sent a written notification to the NBTC to request the return of licenses of Channel 13 Family and Channel 28SD reasons being high competition in the digital TV business from too many channels, lower ad spending, as well as a change of audience behavior that turned to watch various programs on online platforms. BEC therefore decided to return the licenses of 13Family and 28SD and will focus on developing 33HD to increase its competitiveness. On 8 July 2019, BEC-Multimedia Co., Ltd. (BECM), the subsidiary company of BEC World Public Company Limited (BECW) submitted financial statements and remedy measures for the audience and employees after the termination of the business and termination service of both 28SD & 13Family at the end of quarter 3/2019 (30 September 2019)

On 18 April 2019, Mr. Ariya Banomyong took the position of "President" to improve and develop the business to meet the changes in the industry. Mr. Ariya is an expert with long-term online business experience who used to create an online platform that is known and popular in Thailand. BEC Group has developed a short-term plan that focuses on revenue from core businesses like TV business and business with high growth opportunities such as Online and Global Content Licensing, as well as a long-term plan to monetize from business that can be extended from the core business and new business which will help the company to adapt to market conditions and changing consumer behavior.



Consolidated Performance Summary

STATEMENT OF INCOME (Consolidated)	2Q/18 *		1Q/19		2Q/19		YoY		QoQ	
	M.TH.B	%	M.TH.B	%	M.TH.B	%	(+/-)	%	(+/-)	%
Total Revenues	2,709.5	100.0%	2,023.8	100.0%	2,092.3	100.0%	(617.2)	-22.8%	68.5	3.4%
Advertising income	2,358.4	87.0%	1,718.5	84.9%	1,814.8	86.7%	(543.5)	-23.0%	96.4	5.6%
Income from copyright and other services	267.2	9.9%	205.4	10.1%	246.2	11.8%	(21.0)	-7.9%	40.8	19.9%
Income from organizing concerts and shows	69.5	2.6%	83.2	4.1%	19.3	0.9%	(50.2)	-72.3%	(63.9)	-76.8%
Sales of goods	14.4	0.5%	16.8	0.8%	12.0	0.6%	(2.4)	-16.7%	(4.8)	-28.4%
Total Cost	(2,345.8)	-86.6%	(1,823.0)	-90.1%	(1,867.4)	-89.3%	(478.4)	-20.4%	44.5	2.4%
Cost of sales and services	(2,292.7)	-84.6%	(1,768.1)	-87.4%	(1,855.1)	-88.7%	(437.6)	-19.1%	87.1	4.9%
Cost of organizing concerts and shows	(53.1)	-2.0%	(54.9)	-2.7%	(12.3)	-0.6%	(40.8)	-76.8%	(42.6)	-77.6%
Gross Profit	363.7	13.4%	200.8	9.9%	224.9	10.7%	(138.8)	-38.2%	24.0	12.0%
Selling and admin expenses	(378.2)	-14.0%	(347.0)	-17.1%	(366.7)	-17.5%	(11.4)	-3.0%	19.7	5.7%
Operating Profit	(14.5)	-0.5%	(146.2)	-7.2%	(141.8)	-6.8%	(127.3)	-87.5%	4.4	3.0%
Other income	34.7	1.3%	19.4	1.0%	30.3	1.4%	(4.5)	-12.9%	10.9	56.1%
Share of profit (loss) of associates held by subsidiary	3.5	0.1%	9.6	0.5%	13.3	0.6%	9.8	280.7%	3.8	39.6%
Finance costs	(44.7)	-1.7%	(37.6)	-1.9%	(31.2)	-1.5%	(13.5)	-30.2%	(6.4)	-16.9%
Profit before income tax expense	(21.0)	-0.8%	(154.9)	-7.7%	(129.5)	-6.2%	(108.5)	-516.2%	25.4	16.4%
Income tax (expense) revenue	9.9	0.4%	31.3	1.5%	29.5	1.4%	(19.5)	-196.6%	1.8	5.9%
Profit for the period	(11.1)	-0.4%	(123.5)	-6.1%	(100.0)	-4.8%	(88.9)	-802.6%	23.5	19.0%
Net Profit attributable to BEC World	(22.6)	-0.8%	(128.0)	-6.3%	(103.6)	-5.0%	(81.0)	-359.0%	24.4	19.1%
Non-controlling interests	11.5	0.4%	4.5	0.2%	3.6	0.2%	(7.9)	-68.7%	(0.9)	-19.8%

Note:

* According to the notes to the interim financial statements as of 30 June 2019, Clause 3 The cumulative effect of changes in accounting policies in accordance with Thai Financial Reporting Standards (TFRS 15) Subject to income from contracts made with customers to be treated during the current period and the impact on the income statement for the 3 months ended 30 June 2019.

BEC Group's advertising income for 2Q/19 was at Baht 1,814.8 million, increased by 5.6% QoQ from 1Q/19 at Baht 1,718.5 million but decreased by 23% YoY from 2Q/18 at Baht 2,358.4 million. The lower advertising income YoY was mainly from lower advertising minutes sold during the quarter. However, the main advertising income of BEC Group was still from the advertising sales from "Channel 3" which declined from high competition in the market and from the economic conditions mentioned above.

Income from copyrights and other services for 2Q/19 was at Baht 246.2 million, increasing by 19.9% QoQ from 1Q/19 at Baht 205.4 million but decreased by 7.9% YoY from 2Q/18 at Baht 267.2 million during which Global Content Licensing revenue were recorded. The increase QoQ was mainly from higher income from online businesses through BEC group's platform and websites such as CH3Thailand and Mello, as well as partner platforms as well as higher Global Content Licensing.

Income from organizing concerts and shows in 2Q/19 was at Baht 19.3 million, which decreased by 76.8% QoQ from 1Q/19 at Baht 83.2 million and decreased by 72.3% YoY from 2Q/18 at Baht 69.5 million reflecting the decrease in number and scale of activities during the quarter.

Total revenue of BEC Group in 2Q/19 was at Baht 2,092.3 million, a 3.4% increase QoQ from 1Q/19 at Baht 2,023.8 million and a 22.8% decline YoY from 2Q/18 at Baht 2,709.5 million. The advertising income continued to be the main revenue generation for BEC Group, accounting for 86.7% of total revenues. However, income from copyright and other services expanded by 19.9% from 1Q/19 and accounted for 11.8% of total revenue.



BEC Group's total cost in 2Q/19 was at Baht 1,867.4 million which increased by 2.4% QoQ from 1Q/19 at Baht 1,823.0 million but decreased by 20.4% YoY from 2Q/18 at Baht 2,345.8 million, mainly from lower cost of sales and the cost of services. Cost of sales and services for 2Q/19 was at Baht 1,855.1 million, increased by 4.9% QoQ from 1Q/19 at Baht 1,768.1 million but decreased by 19.1% YoY from 2Q/18 at Baht 2,292.7 million.

The cost reduction compared from last year was mainly from ongoing cost management such as cost savings from the rerun of pre-primetime drama and other related cost as well as lower network-related expenses and license amortization adjustment from the impact under Section 44 for license fees reduction for installment no. 5 and 6 of the three channels. The cost of concerts and shows in the 2Q/19 decreased by 77.6% QoQ from 1Q/19 and decreased by 76.8% YoY from 2Q/18 as the number and size of events reduced.

Gross profit for 2Q/19 was at Baht 224.9 million, increased by 12% QoQ from 1Q/19 Baht 200.8 million but decreased by 38.2% YoY from 2Q/18 at Baht 363.7 million, with gross margin for 2Q/19 of 10.7%.

In addition, the monitoring and control of the selling and administrative expenses of BEC Group have continued. In 2Q/19, the selling and administrative expenses amounted to Baht 366.7 million, a 5.7% increase QoQ from 1Q/19 at Baht 347.0 million but a 3% decrease YoY from 2Q/18 at Baht 378.2 million.

Financial cost was at Baht 31.2 million which decreased by 16.9% QoQ from 1Q/19 at Baht 37.6 million and decreased by 30.2% YoY from 2Q/18 at Baht 44.7 million from financial cost management during the year 2018.

In conclusion, BEC Group reported consolidated net loss attributable to BEC World of Baht 103.6 million, with net cash flow from operation of Baht 1,575.1 million and Cash and cash equivalents of Baht 2,400.4 million as at ending 2Q/19.

A handwritten signature in black ink, appearing to be 'Piriyaadit'.

(Piriyaadit Choophungart)

Chief Financial Officer

BEC World Public Company Limited