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No. 048/2014

August 14th, 2014

Subject: Explanation of the declined/over 20% on Quarter 2 and six-month periods year 2014 performance

To: President
The Stock Exchange of Thailand

Per interim financial report of LIVE Incorporation Public Company Limited for the Quarter 2 and the six-month period ended June 30th, 2014, the Company would like to provide an explanation of the Company's performance compared to the same period last year on declined/over 20% as follows:

In the Quarter 2 year 2014, the Company's net loss of 6.13 million baht increased by 21.41 million baht or 140.11% from last year due to:

1. Revenue amount of 60.66 million baht decreased by 15.36 million baht or 20.20 percent from last year due to a decrease in revenue from bandwidth management service. It is because the overall political situation and economic condition in the country. Besides, the martial law was declared and the National Council for Peace and Order (NCPO) was formed on May 22nd, 2014. NCPO announced to temporarily stop broadcasting every satellite TV channels, then pay TV channels were gradually approved for broadcasting again. However, the Company's customers were not pay TV channels so they could not broadcast their channels. These cause a decrease in revenue.
2. Selling and administrative expenses amount of 28.86 million baht increased by 5.24 million baht or equal to 22.17 percent from last year due to hiring the financial advisor for the issuance of convertible debentures, changing of the auditor, and a higher remuneration of directors that the Annual General Meeting of Shareholders for year 2013 approved the additional bonus payment and the commission of outsourced sales.

For the six-month period year 2014, the Company's net loss of 24.34 million Baht increased by 50.15 million Baht or 194.32% from last year due to:

1. Revenue amount of 124.60 million baht decreased by 25.95 million baht or 17.24 percent from last year due to a decrease in revenue from bandwidth management service. It is because a contract with existing customer expired at the end of year 2013 and has not been renewed a contract yet. Moreover, the political situation in the country causes the customer delays to broadcast their channels as well as Thai economic condition leads to a delay in using the Company's service. Besides, the National Broadcasting and Telecommunications Commission (NBTC) announced that a network provider has to include a digital TV program channel which has the Digital TV Licensing in each network since April 1st, 2014 (in accordance with Must Carry Rule). Thus, the channel number needs to be rearranged in each network. It causes a new TV business entrepreneur needs to delay their investment until the channel number's rearrangement is cleared, then a new investment will be occurred.

Furthermore, the martial law was declared and the National Council for Peace and Order (NCPO) was formed on May 22nd, 2014. NCPO announced to temporarily stop broadcasting every satellite TV channels, then pay TV channels was gradually approved for broadcasting. However, the Company's customers were not pay TV channels so they could not broadcast their channels. These cause a decrease in revenue.

2. Selling and administrative expenses amount of 56.48 million baht increased by 14.40 million baht or equal to 34.23 percent from last year due to hiring the financial advisor for the issuance of convertible debentures, changing of the auditor, and a higher remuneration of directors that the Annual General Meeting of Shareholders for year 2014 approved the additional bonus payment and the commission of outsourced sales.

For Quarter 2 and the six-month period ended June 30th, 2014, the Company had written off Trade Accounts Receivable, Accrued Income, Advance Payment, Accrued Interest Income, Prepaid expenses, Short-Term Loans, and Deposits of subsidiaries, associated companies, and other companies which were shown in the accompanying consolidated and company statements of financial position. For such accounts receivable, the Company reserved the entire amount of the allowance for doubtful debts due to the subsidiaries and indirect subsidiaries are under liquidation process. Associated companies and other companies' transactions were overdue and barred by prescription. However, writing off accounts receivable does not affect the related consolidated and company statements of comprehensive income. The details are as follows;

	Amount
LIVE Incorporation Public Company Limited	
Digital Right Pictures Public Company Limited "Subsidiary"	
Trade accounts receivable	263,587,402.17
Short-term loans	141,272,934.44
Accrued income	10,153,894.44
Accrued interest income	24,786,979.28
	<u>439,801,210.33</u>
Live Radio Company Limited "Subsidiary"	
Short-term loans	101,217,567.15
Accrued interest income	6,516,586.77
	<u>107,734,153.92</u>
In and On Studio Company Limited "Subsidiary"	
Short-term loans	12,763,981.90
	<u>12,763,981.90</u>
Popstarz Management Company Limited "Indirect Subsidiary"	
Advance payment	10,520.00
	<u>10,520.00</u>
Other Companies	
Trade accounts receivable	50,807,533.81
Short-term loans	1,206,074.00
Accrued income	3,580,188.85
Accrued interest income	91,323.46
Advance payment	10,868,514.75
Deposits	4,528,380.00
	<u>71,082,014.87</u>
	<u>631,391,881.02</u>

Live Media Group Public Company Limited “Subsidiary”	
Box Office Entertainment Company Limited “Associated Company”	
Prepaid expenses	11,359,200.00
	<u>11,359,200.00</u>
Trade accounts receivable	16,243,583.03
	<u>16,243,583.03</u>
	<u><u>27,602,783.03</u></u>
Live TV Company Limited “Subsidiary”	
Popstarz Management Company Limited “Indirect Subsidiary”	
Short-term loans	4,272,998.25
Advance payment	23,846.50
Accrued income	84,512.61
	<u>4,381,357.36</u>
Other Companies	
Advance payment	314,158.88
Trade accounts receivable	4,566,609.49
Accrued income	1,873,598.31
	<u>6,754,366.68</u>
	<u><u>11,135,724.04</u></u>

Please be informed accordingly

Yours Sincerely,

-Signed-

(Mr. Tharakorn Junkerd)
The Company Secretary