

16 August 2021

Subject: Management Discussion and Analysis for the Performance of Six-Month Period Ended 30 June 2021
(Q2/2021)

To: President,
The Stock Exchange of Thailand

News Network Corporation Public Company Limited ("the Company") would like to explain on the company's performance of Q2/2021 had total comprehensive income for the period of Baht 148.78 million compared with the same period of the last year which had total comprehensive loss for the period of Baht 46.29 million, total comprehensive loss for the period decreased by Baht 102.49 million or 221.41%. The details are as the followings.

1. In Q2/2021, the Company and its subsidiaries had total revenue amounting to Baht 36.99million compared with the same period of the last year which was Baht 62.45 million, decreased by Baht 25.46 million or 40.77%. In addition, the Company and its subsidiaries had interest and other income in the amount of Baht 2.78 million, decreased from the same period of the last year by Baht 15.92 million or 85.12%. Moreover, the Company had a gain on sale of investment in subsidiary amounted to Baht 187.30 million in 2021.

2. In Q2/2021, the Company and its subsidiaries had total cost of sales and service amounting to Baht 27.08 million compared with the same period of the last year which was Baht 61.60 million, decreased by Baht 34.52 million or 56.04%. Total operating expenses was Baht 40.73 million compared with the same period of the last year which was Baht 62.69 million, decreased by Baht 21.96 million or 35.03%. Reversal of impairment loss on assets was Baht 0.93 million compared with the same period of the last year which impairment loss was Baht 3.19 million, decreased by Baht 4.12 million or 129.15%. The Company recognised share of loss on investment in associates amounted to Baht 17.92 million, and total finance cost amounted to Baht 0.26 million in this period. Moreover, there was a loss from discontinued operation amounted to Baht 1.22 million in Q2/2021 when compare with the same period of the last year which was Baht 1.57 million, decreased by Baht 0.35 million or 22.29%, resulting in the Company incurring operating profit for the period amounting to Baht 140.68 million compared with the same period of the last year which had operating loss amounting to Baht 49.47 million, operating profit increased by Baht 190.15 million or 384.37%.

3. In Q2/2021, the Company and its subsidiaries had other comprehensive income for the year of Baht 8.10 million compared with the same period of the last year which was Baht 3.17 million, other comprehensive income for the period increased by Baht 4.93 million.

The key factors are as follows:-

1. Total revenue decreased in totally Baht 25.46 million, mainly from the decrease in revenue from media business and revenue from sales and service (Thansettakij Newspaper) amounted to Baht 5.43 million, revenue from the hygiene products business amounted to Baht 20.03 million because the Company had sold investment in this segment in 2020. However, the Company had a gain on sale of investment in subsidiary amounted to Baht 187.30 million in 2021.

2. Total cost of sales and service and operating expenses decreased in totally Baht 56.48 million. Cost of sales and service decreased in line with lower revenues and was also a result from the management restructuring and production cost and expenses control, resulting in lower operating expenses. However, the Company and its subsidiaries recognised share of loss on investment in associates amounted to Baht 17.92 million in this period.

3. Other comprehensive income increased in totally Baht 4.93 million, mainly from the recognition of gain on measurement of investment in equity at fair value in this period.

Please be informed accordingly.

Sincerely yours,

(Miss Suvicha Kaewfacharoen)
Accounting and Finance Director