

OM6411002

15 November 2021

Subject: Management Discussion and Analysis for the Performance of Nine-Month Period Ended 30 September 2021 (Q3/2021)

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 Q3/2021 had total comprehensive income for the period of Baht 127.22 million compared with the same period of the last year which had total comprehensive loss for the period of Baht 55.56 million, total comprehensive loss for the period decreased by Baht 182.78 million or 328.98%. The details are as the followings.

1. In Q3/2021, the Company and its subsidiaries had total revenue from sales and services amounting to Baht 61.11 million compared with the same period of the last year which was Baht 95.41 million, decreased by Baht 34.30 million or 35.95%. In addition, the Company and its subsidiaries had interest and other income in the amount of Baht 4.00 million, decreased from the same period of the last year by Baht 17.45 million or 81.35%. Moreover, the Company had a gain on sale of investment in subsidiaries and associated company amounted to Baht 184.79 million in 2021.

2. In Q3/2021, the Company and its subsidiaries had total cost of sales and service amounting to Baht 41.20 million compared with the same period of the last year which was Baht 78.32 million, decreased by Baht 37.12 million or 47.40%. Total operating expenses was Baht 62.34 million compared with the same period of the last year which was Baht 84.28 million, decreased by Baht 21.94 million or 26.03%. 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 3.89 million, decreased by Baht 4.82 million or 123.91%. The Company recognised share of loss on investment in associates amounted to Baht 26.22 million, and total finance cost amounted to Baht 0.58 million in this period. Moreover, there was a loss from discontinued operation amounted to Baht 1.22 million in Q3/2021, resulting in the Company incurring operating profit for the period amounting to Baht 119.12 million compared with the same period of the last year which had operating loss amounting to Baht 58.73 million, operating profit increased by Baht 177.85 million or 302.83%.

3. In Q3/2021, 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 34.30 million, mainly from the decrease in revenue from media business and revenue from sales and service (Thansettakij Newspaper) amounted to Baht 11.07 million, revenue from the hygiene products business amounted to Baht 23.23 million because the Company had sold investment in this segment in 2020. However, the Company had a gain on sale of investment in subsidiaries and associated company amounted to Baht 184.79 million in 2021.

2. Total cost of sales and service and operating expenses decreased in totally Baht 63.94 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 26.22 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 2021.

Please be informed accordingly.

Sincerely yours,

(Mr. Kritsada Pruitipat)
Chief Executive Officer