

OM6502005

24 February 2022

Subject: Management Discussion and Analysis for the Performance of Year Ended 31 December 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 the year 2021 had total comprehensive income for the year of Baht 103.83 million compared with last year which had total comprehensive loss for the year of Baht 31.18 million, total comprehensive loss for the year decreased by Baht 135.01 million or 433.00%. The details are as the followings.

1. In the year 2021, the Company and its subsidiaries had total revenue from sales and services amounting to Baht 93.05 million compared with last year which was Baht 122.51 million, decreased by Baht 29.46 million or 24.05%. In addition, the Company and its subsidiaries had interest and other income in the amount of Baht 7.74 million, decreased from last year by Baht 17.21 million or 68.98%. 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 the year 2021, the Company and its subsidiaries had total cost of sales and service amounting to Baht 57.12 million compared with last year which was Baht 96.16 million, decreased by Baht 39.04 million or 40.60%. Total operating expenses was Baht 88.40 million compared last year which was Baht 108.48 million, decreased by Baht 20.08 million or 18.51%. Reversal of impairment loss on assets was Baht 0.71 million compared with last year which was Baht 21.17 million, decreased by Baht 20.46 million or 96.65%. The Company recognised share of loss on investment in associates amounted to Baht 41.21 million, and total finance cost amounted to Baht 0.91 million in this year. Moreover, there was a loss from discontinued operation amounted to Baht 1.22 million in the year 2021, resulting in the Company incurring operating profit for the year amounting to Baht 97.27 million compared with last year which had operating loss amounting to Baht 37.81 million, operating profit increased by Baht 135.08 million or 357.26%.

3. In the year 2021, the Company and its subsidiaries had other comprehensive income for the year of Baht 6.56 million compared with last year which was Baht 6.62 million, other comprehensive income for the year decreased by Baht 0.06 million.

The key factors are as follows:-

1. Total revenue decreased in totally Baht 29.46 million, mainly from the decrease in revenue from media business and revenue from sales and service (Thansettakij Newspaper) amounted to Baht 6.33 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, revenue from consulting and design of information system business segment increase amounted to Baht 0.10 million. The Company also 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 38.52 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 41.21 million in this period.

3. Other comprehensive income decreased in totally Baht 0.06 million, mainly from the decrease in gain on re-measurements of defined benefit plans amounting to Baht 8.16 million, however the Company recognized gain on measurement of investment in equity at fair value amounting to Baht 8.10 million in 2021.

Please be informed accordingly.

Sincerely yours,

(Mr.Kritsada Pruitipat)  
Chief Executive Officer