

Ref. WORK 16/2020

Aug 11, 2020

Re: Management Discussion and Analysis for the 2nd quarter ended June 30, 2020

To: President of the Stock Exchange of Thailand

Attachment: 1. Business Performance Report (Form F45-3)

2. The consolidated and separate financial statement for the 2nd quarter ended June 30, 2020

Workpoint Entertainment Public Company Limited ("The Company") is pleased to submit herewith the consolidated and separate financial statement for the 2nd quarter ended June 30, 2020, with the financial analysis in comparison to the financial statement for the 2nd quarter ended June 30, 2019. The performance can be summarized as follows:

The operating performance of the Company and its subsidiaries for 2nd quarter ended June 30, 2020 has shown the net profit of THB 2.03 million, decreasing by THB 70.54 million or 97%, from the same period in the previous year which shown the net profit of THB 72.56 million.

**Revenue :**

For the 2nd quarter ended June 30, 2020, the total Revenue (Excluding Other Income) of the Company was THB 469.28 million which represented an decrease of THB 284.16 million or 38% from the same period in the previous year which shown the total Revenue (Excluding Other Income) of THB 753.44 million.. The change of total Revenue was mainly resulted from the following business:

**Revenue from Television Programs**

Revenue from television programs was comprised of revenue from the advertising and promotion during each broadcasting period of the Company's TV channel ("WORKPOINT TV"), and other online media channels such as YouTube. Revenue from television programs also includes revenue from Renting Air time to 3rd parties for TV program broadcasting on WORKPOINT TV, revenue from the production of TV programs for 3rd parties for broadcasting on WORKPOINT TV, and revenue from sales of TV program licenses.

For the 2nd quarter ended June 30, 2020, the Company had the revenue from television programs at THB 348.11 million, decreasing by THB 249.66 million or 42% from the same period in 2019. The decrease of revenue from TV programs, was from the decrease of revenue from WORKPOINT TV and revenue from sales of TV program licenses as the result of the spread of COVID-19 in early 2020, which has strucked both domestic and foreign economies.

**Revenue from Event Marketing**

Revenue from event marketing was comprised of the revenue from event activities arranged by the company and event activities which the Company organized for 3<sup>rd</sup> parties. For the 2nd quarter ended June 30, 2020, the Company had the revenue from event activities at THB 11.29 million, decreasing by THB 72.58 million or 87% from the same period in 2019 which had the revenue at THB 83.87 million. For the 2nd quarter ended June 30, 2020, based on COVIC-19 situation, the Company could not arrange events for 3rd parties and could not organize its own event activities as plan.

**Revenue from Concerts and Plays**

Revenue from concerts and plays was comprised of the revenue from concerts and plays produced by the Company, and revenue from Playhouse's title sponsor. The Company had the revenue from concerts and plays for the 2nd quarter ended June 30, 2020 at THB 4.26 million, decreasing by THB 20.68 million or 83% from the revenue at THB 24.95 from the same



period in 2019. For the 2nd quarter ended June 30, 2020, the Company could not use its exhibition venue at all because of the epidemic situation of Covid-19 as earlier mentioned.

**Revenue from sale of goods and rendering of other services**

Revenue from sale of goods and rendering of other services was divided into 2 categories. Firstly, revenue from sale of goods which was comprised of the revenue from sale of health and beauty products under the brand “Let Me In Beauty” and “Me vio”, the revenue from sale of studio shop and the revenue from sales of products on consignment in “1346 Hello Shops” program broadcasting on WORKPOINT TV. Secondly, revenue from rendering of other services was mainly comprised of the revenue from area rental in the Company’s Playhouse, revenue from Artist management, and revenue from PR services for selling product. The Company had revenue from sale of goods and rendering of other services for the 2nd quarter ended June 30, 2020 at THB 105.61 million, increasing by THB 58.75 million or 125% from the same period in 2019 which had the revenue at THB 46.86 million. The significant increase was mainly from the increase of the revenue from PR services for selling product.

**Costs :**

For the 2nd quarter ended June 30, 2020, the Company had total costs at THB 271.40 million, decreasing by THB 172.38 million or 39% from the total costs at THB 443.78 million from the same period in 2019. The decrease in the total costs was mainly from the decrease in amortization of Digital television license which, resulting from the reduction of net book value of digital television license. Moreover, there were the decrease of annual fee contributed to USO Fund, and the decrease of totally fees for digital television terrestrial network services (MUX), which has started from June 2020.

**Selling and Administrative Expenses and Other Expenses:**

For the 2nd quarter ended June 30, 2020, the Company had selling and administrative expenses in total at THB 198.25 million, slight decreasing by THB 23.61 million or 11% from the same period in 2019 in which the Company had selling and administrative expenses in total at THB 221.86 million. The decrease was mainly from the Company’s cost saving policy in order to reduce the impact of the COVID-19 situation..

For 2nd quarter ended June 30, 2020, additionally, the Company had other expenses at THB 7.42 million from Impairment loss determined in accordance with TFRS 9 which is effective in 2020 for the first time. Such other expenses are allowance for impairment loss for trade accounts receivables determined in accordance with TFRS 9.

Please be informed accordingly.

Best Regards,

Workpoint Entertainment Public Company Limited

(Mr. Surakarn Sirimothya)

Chief Financial Officer

Authorized to sign on behalf of the company