

1 March 2021

Subject: Management Discussion and Analysis for the Performance of the Year Ended 31 December 2020
To: President
The Stock Exchange of Thailand

News Network Corporation Public Company Limited (the "Company") would like to explain the Company's performance of the year 2020 which had total comprehensive loss for the period of Baht 31.18 million compared with last year which had total comprehensive income for the period of Baht 412.44 million, total comprehensive income for the period decreased by Baht 443.62 million or 107.56%. The details are as the followings.

1. In 2020, the Company and its subsidiaries had total revenue amounting to Baht 122.51 million, compared with last year which was Baht 325.41 million, decreased by Baht 202.90 million or 62.35%. In addition, the Company and its subsidiaries had interest and other income in the amount of Baht 24.95 million, decreased from last year by Baht 25.94 million or 50.97%.

2. In 2020, the Company and its subsidiaries had total cost of sales and service amounting to Baht 96.16 million compared with last year which was Baht 215.05 million, decreased by Baht 118.89 million or 55.28%. Total operating expenses was Baht 108.48 million, compared with last year which was Baht 213.04 million, decreased by Baht 104.56 million or 49.08%. Reversal of impairment loss on assets was Baht 21.17 million, compared with last year which impairment loss was Baht 61.37 million, decreased by Baht 82.54 million or 134.50%. The Company recognized loss on disposal of investment in subsidiary amounted to Baht 10.81 million and share of loss on investment in associate amounted to Baht 3.64 million in this year, and total finance cost was Baht 0.76 million compared with last year which was Baht 29.09 million, decreased by Baht 28.33 million or 97.39%. Moreover, there was a profit from discontinued operation amounted to Baht 15.03 million when compare with last year which was Baht 635.52 million, decreased by Baht 620.49 million or 97.64%, resulting in the Company incurring operating loss for the year amounting to Baht 37.81 million, compared with last year which had operating profit amounting to Baht 493.05 million, operating profit decreased by Baht 530.86 million or 107.67%.

3. In 2020, the Company and its subsidiaries had other comprehensive income for the year of Baht 6.62 million, compared with last year which had other comprehensive loss for the year of Baht 80.61 million, other comprehensive loss for the year decreased by Baht 87.23 million or 108.21%.

The key factors are as follows:-

1. Total revenue decreased in totally Baht 202.90 million, mainly from the decrease in revenue from media business, due to the termination of Digital TV license and revenue from sales and service (Thansettakij Newspaper) amounted to Baht 162.73 million, revenue from the hygiene products business amounted to Baht 39.04 million and revenue from the IT and computer business amounted to Baht 1.13 million.

2. Total cost of sales and service and operating expenses decreased in totally Baht 223.45 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. In addition, total finance cost decreased by Baht 28.33 million and impairment loss on assets decreased by Baht 82.54 million. Moreover, the Company recognized loss on disposal of investment in subsidiary amounted to Baht 10.81 million and share of loss on investment in associate amounted to Baht 3.64 million.

3. Profit from discontinued operation decreased by Baht 620.49 million, mainly from a subsidiary terminated the Digital TV License in 2019.

4. Other comprehensive loss decreased in totally Baht 87.23 million, mainly from the recognition of loss on measurement of investment in 2019, which there was no such transaction in this period.

Please be informed accordingly.

Sincerely yours,

(Mr. Prapat Yorkhant)
Chief Executive Officer