

The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2018 represented a profit from continuing operations of Baht 559.74 million. Compared to the same period of 2017, the loss was Baht 2,241.90 million increased by 125%. Including, the loss from discontinued operations for the year 2018 of Baht 269.24 million, the group represented a net profit of Baht 290.50 million compared to the same period of 2017, the loss was Baht 2,378.35 million, increased by 112%. Excluding, the reversal of impairment loss of assets and the allowance for doubtful accounts of Baht 1,184.53 million, the group incurred a net loss of Baht 894.03 million. The Company would like to clarify a significance change of Group's operation results were summarized as follows

1. Revenue from sales of goods and rendering of services for the year 2018 decreased by 17% compared to the same period of 2017. The main reasons is from economic slowdown which affected advertising revenue decreased by 15% and circulation revenues decreased by 26%.
2. Costs and expenses for the year 2018 decreased by 81% compared to the same period of 2017. The main reasons were:
 - Cost of goods sold and rendering of services decreased by 31% in line with the decrease in revenue from sales of goods and rendering of services.
 - Distribution costs and administrative expenses increased by 5% due to loss on disposal and written-off of assets of Baht 161 million.
 - On 11 April 2019, the National Council for Peace and Order (“NCPO”) has released the order NO. 4/2562 in subject of a measure to solve the problems of the operations of the Television and Telecommunication. On 2 May 2019, the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) has released the order of criteria, procedures, and conditions for compensation as a result of the return of the license to use the spectrum to provide Digital Television Services. The service users who had intended to return the license was required to inform in writing within 10 May 2019. The request for a return of such license is considered a request to cancel the license.

In this regard, a subsidiary has submitted for the returning of its Digital TV license to NBTC, and obtained letter of the approval of the returning on 27 June 2019. Therefore, the Group has determined the recoverable amount from the fair value less costs of disposal which is the compensation, according to the notification letter to approve the compensation from NBTC dated 26 July 2019, deduct with related costs of returning the license. The management determined that the recoverable amount exceeds its carrying amount of asset. Therefore, the Group has considered to reverse the impairment loss of Digital TV license in the consolidated financial statements for the year ended 31 December 2018 amounting to Baht 643.66 million. On 26 July 2019, NBTC has issued the notification letter to approve the compensation for the subsidiary amounting to Baht 890.83 million by deducting the payable of license fee installment payments no.4 amounting to Baht 215.07 million (included VAT). Therefore, the remaining compensation would be received in amounting Baht 675.76 million.

In addition, the indirect subsidiary has decided not to return the Digital TV license. As a result, such indirect subsidiary will be exempted for the installment of the license fee including a subsidy for the network rental expenditures in accordance with a national commercial digital terrestrial television broadcasting network service to the licensees over the remaining period of the licenses. The subsidy effectively commences after termination of the measure to relieve in accordance with paragraph one, no. 8 of NCPO No. 9/2561. Therefore, the Group has considered to reverse of impairment loss of Digital TV license in the consolidated financial statements as at 31 December 2018 amounting to Baht 486.70 million.

Conclusion :

The Group reported a net profit for the year ended 31 December 2018 was Baht 290.50 million, resulting from the reversal of impairment loss of assets and the allowance for doubtful accounts of Baht 1,184.53 million. Compared to the same period of 2017, the loss was Baht 2,378.35 million.