

Mono Technology Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2014

Independent Auditor's Report

To the Shareholders of Mono Technology Public Company Limited

I have audited the accompanying consolidated financial statements of Mono Technology Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Mono Technology Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mono Technology Public Company Limited and its subsidiaries and of Mono Technology Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 25 February 2015

Mono Technology Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	598,067,921	875,481,876	447,025,252	631,259,833
Current investments - deposits with financial institutions		400,070,000	1,401,501,274	400,000,000	1,401,501,274
Trade and other receivables	8	577,613,242	416,091,428	585,355,837	506,212,407
Short-term loans to subsidiaries	6	-	-	1,496,740,909	105,513,698
Inventories	9	7,738,256	6,675,411	-	-
Prepaid expenses		54,319,282	24,021,781	15,646,467	11,027,043
Input tax pending payment		21,450,139	17,397,073	4,744,192	7,568,183
Total current assets		1,659,258,840	2,741,168,843	2,949,512,657	2,663,082,438
Non-current assets					
Restricted bank deposits		138,765	293,740	97,851	-
Investments in subsidiaries	10	-	-	575,996,072	469,289,187
Property and equipment	11	503,823,253	220,333,611	73,186,598	69,970,979
Intangible assets	12	1,222,229,790	322,601,536	22,327,634	19,992,978
Cost of spectrum license	13	2,147,878,810	39,000,000	-	-
Deferred tax assets	22	142,404,514	21,767,666	1,361,041	1,604,078
Other non-current assets		29,119,886	41,055,663	6,694,143	16,524,995
Total non-current assets		4,045,595,018	645,052,216	679,663,339	577,382,217
Total assets		5,704,853,858	3,386,221,059	3,629,175,996	3,240,464,655

The accompanying notes are an integral part of the financial statements.

Mono Technology Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	14	367,101,751	206,988,998	201,548,462	206,642,646
Current portion of long-term liabilities					
Cost of spectrum license payable	13	301,000,000	-	-	-
Liabilities under finance lease agreements	16	13,067,344	16,829,655	770,498	3,960,055
Income tax payable		17,397,375	318,924	17,397,375	-
Undue output tax		28,490,456	22,773,883	14,688,033	12,523,833
Other current liabilities		6,522,762	1,998,604	352,103	1,477,306
Total current liabilities		733,579,688	248,910,064	234,756,471	224,603,840
Non-current liabilities					
Long-term loan from bank	15	403,390,000	-	-	-
Long-term liabilities, net of current portions					
Cost of spectrum license payable	13	1,572,000,000	-	-	-
Liabilities under finance lease agreements	16	5,698,051	14,645,015	68,962	832,066
Provision for long-term employee benefits	17	21,504,374	23,992,585	10,426,825	13,796,387
Deferred tax liabilities	22	6,146,995	5,738,642	-	-
Total non-current liabilities		2,008,739,420	44,376,242	10,495,787	14,628,453
Total liabilities		2,742,319,108	293,286,306	245,252,258	239,232,293

The accompanying notes are an integral part of the financial statements.

Mono Technology Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Shareholders' equity					
Share capital	18				
Registered					
4,620,000,000 ordinary shares (2013:					
1,400,000,000 ordinary shares) of Baht 0.1 each		<u>462,000,000</u>	<u>140,000,000</u>	<u>462,000,000</u>	<u>140,000,000</u>
Issued and fully paid-up					
3,079,999,975 ordinary shares (2013:					
1,400,000,000 ordinary shares) of Baht 0.1 each		307,999,998	140,000,000	307,999,998	140,000,000
Share subscription received in advance	19	302,958	-	302,958	-
Premium on ordinary shares		2,698,945,842	2,698,945,842	2,698,945,842	2,698,945,842
Retained earnings					
Appropriated - statutory reserve	20	41,591,817	14,000,000	41,591,817	14,000,000
Unappropriated		67,528,021	392,254,201	335,083,123	148,286,520
Other components of shareholders' equity		<u>(153,833,886)</u>	<u>(152,265,290)</u>	-	-
Total shareholders' equity		<u>2,962,534,750</u>	<u>3,092,934,753</u>	<u>3,383,923,738</u>	<u>3,001,232,362</u>
Total liabilities and shareholders' equity		<u>5,704,853,858</u>	<u>3,386,221,059</u>	<u>3,629,175,996</u>	<u>3,240,464,655</u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

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 Directors

Mono Technology Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit or loss:					
Revenues					
Sales and service income		1,526,312,845	1,407,385,912	1,278,394,590	1,284,847,697
Dividend income from subsidiaries	10	-	-	331,187,580	348,786,920
Other income		77,113,889	90,578,512	139,007,472	123,565,315
Total revenues		<u>1,603,426,734</u>	<u>1,497,964,424</u>	<u>1,748,589,642</u>	<u>1,757,199,932</u>
Expenses					
Cost of sales and services		1,025,408,782	581,810,151	869,281,386	895,049,444
Selling and servicing expenses		181,552,514	101,044,956	50,091,432	70,492,475
Administrative expenses		406,612,571	272,348,945	220,920,769	181,895,234
Total expenses		<u>1,613,573,867</u>	<u>955,204,052</u>	<u>1,140,293,587</u>	<u>1,147,437,153</u>
Profit (loss) before finance cost and income tax		(10,147,133)	542,760,372	608,296,055	609,762,779
Finance cost		(15,421,811)	(2,565,404)	(149,962)	(1,603,906)
Profit (loss) before income tax		(25,568,944)	540,194,968	608,146,093	608,158,873
Income tax	22	64,456,262	(39,078,251)	(56,309,748)	(50,943,265)
Profit for the year		<u>38,887,318</u>	<u>501,116,717</u>	<u>551,836,345</u>	<u>557,215,608</u>
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(1,568,596)	424,500	-	-
Actuarial gains		6,909,438	-	5,188,715	-
Income tax effect		(1,332,222)	-	(1,037,743)	-
Other comprehensive income for the year		<u>4,008,620</u>	<u>424,500</u>	<u>4,150,972</u>	<u>-</u>
Total comprehensive income for the year		<u>42,895,938</u>	<u>501,541,217</u>	<u>555,987,317</u>	<u>557,215,608</u>
Earnings per share					
24					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.01</u>	<u>0.18</u>	<u>0.18</u>	<u>0.20</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.01</u>	<u>0.18</u>	<u>0.17</u>	<u>0.20</u>

The accompanying notes are an integral part of the financial statements.

Mono Technology Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities				
Profit (loss) before tax	(25,568,944)	540,194,968	608,146,093	608,158,873
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	55,654,792	36,716,102	21,975,019	19,566,362
Amortisation	145,351,415	22,710,579	2,653,523	2,265,589
Amortisation cost of spectrum license	103,121,190	-	-	-
Doubtful accounts	531,289	645,227	114,670	363,276
Reduction of inventory cost to net realisable value (reversal)	(1,217,302)	2,551,481	-	-
Dividend income from investments in subsidiaries	-	-	(331,187,580)	(348,786,920)
Losses (gains) on sales and written-off of equipment	(86,276)	(255,687)	(1,890)	11,290
Losses on sales and written-off of intangible assets	6,962,917	296,186	-	-
Unrealised losses (gains) on exchange	(3,622)	7,168	(2,011,210)	(164,881)
Provision for employee benefits	5,841,382	3,225,086	2,062,025	1,208,262
Interest income	(26,607,126)	(37,087,182)	(54,883,229)	(38,650,565)
Interest expenses	15,421,811	2,565,404	149,962	1,603,906
Profit from operating activities before changes in operating assets and liabilities	279,401,526	571,569,332	247,017,383	245,575,192
Operating assets (increase) decrease				
Trade and other receivables	(171,619,223)	(14,203,232)	(54,295,582)	(18,215,862)
Inventories	154,457	(3,436,577)	-	-
Prepaid expenses	(30,297,501)	(13,740,081)	(4,619,424)	(5,043,606)
Other non-current assets	19,908,380	(48,367,850)	9,848,536	1,791,027
Operating liabilities increase (decrease)				
Trade and other payables	90,496,249	(2,205,106)	(4,699,733)	(120,278,887)
Other current liabilities	4,524,158	(2,842,128)	(1,125,203)	(376,496)
Cash from operating activities	192,568,046	486,774,358	192,125,977	103,451,368
Cash paid for income tax	(58,999,816)	(72,527,407)	(50,725,971)	(64,631,177)
Cash received from withholding tax refund	11,001,208	4,092,196	11,001,208	-
Net cash from operating activities	144,569,438	418,339,147	152,401,214	38,820,191

The accompanying notes are an integral part of the financial statements.

Mono Technology Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities				
Interest income	42,192,778	19,836,155	41,187,539	20,471,680
Decrease (increase) in current investments - deposits with financial institutions	1,001,431,274	(1,401,501,274)	1,001,501,274	(1,401,501,274)
Increase in short-term loans to subsidiaries	-	-	(1,389,219,623)	(86,454,145)
Decrease (increase) in restricted bank deposits	154,975	(5,368)	(97,851)	-
Increase in investments in subsidiaries	-	-	(106,706,885)	(388,895,552)
Dividend received from investments in subsidiaries	-	-	322,387,910	384,185,773
Acquisitions of property, plant and equipment	(326,960,301)	(107,840,291)	(22,942,391)	(13,474,512)
Proceeds from sales of equipment	45,025	259,055	45,021	686,057
Acquisitions of intangible assets	(993,192,193)	(249,168,048)	(4,988,179)	(9,537,822)
Acquisition of spectrum license	(339,000,000)	-	-	-
Net cash used in investing activities	(615,328,442)	(1,738,419,771)	(158,833,185)	(1,494,519,795)
Cash flows from financing activities				
Interest expenses	(15,421,811)	(2,565,404)	(149,962)	(3,662,267)
Decrease in short-term loan from subsidiary	-	-	-	(73,000,000)
Cash receipt from long-term loan	403,390,000	-	-	-
Repayment of liabilities under finance lease agreements	(19,354,557)	(20,597,890)	(3,952,661)	(9,308,977)
Proceeds from increase in share capital	-	2,720,345,842	-	2,720,345,842
Dividend paid to the Company's shareholders	(173,699,987)	(584,955,550)	(173,699,987)	(584,955,550)
Net cash from (used in) financing activities	194,913,645	2,112,226,998	(177,802,610)	2,049,419,048
Increase (decrease) in translation adjustments	(1,568,596)	424,500	-	-
Net increase (decrease) in cash and cash equivalents	(277,413,955)	792,570,874	(184,234,581)	593,719,444
Cash and cash equivalents at beginning of year	875,481,876	82,911,002	631,259,833	37,540,389
Cash and cash equivalents at end of year	598,067,921	875,481,876	447,025,252	631,259,833
	-	-	-	-
Supplemental cash flows information:				
Non-cash transaction				
Purchases of equipment for which no cash has been paid	12,142,882	25,010,190	2,291,378	1,433,879
Purchases of intangible assets for which no cash has been paid	58,750,393	1,281,100	-	-
Cost of spectrum license payable	1,873,000,000	-	-	-
Stock dividend	167,999,998	-	167,999,998	-

The accompanying notes are an integral part of the financial statements.

Mono Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Issued and fully paid-up share capital	Share subscription receive in advance	Premium on ordinary shares	Retained earnings		Other components of equity			Total shareholders' equity
				Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Business combination under common control	Total other components of shareholders' equity	
Balance as at 1 January 2013	115,500,000	-	3,100,000	14,000,000	476,334,509	(324,623)	(152,365,167)	(152,689,790)	456,244,719
Profit for the year	-	-	-	-	501,116,717	-	-	-	501,116,717
Other comprehensive income for the year	-	-	-	-	-	424,500	-	424,500	424,500
Total comprehensive income for the year	-	-	-	-	501,116,717	424,500	-	424,500	501,541,217
Dividend paid (Note 26)	-	-	-	-	(585,197,025)	-	-	-	(585,197,025)
Increase share capital (Note 18)	24,500,000	-	2,695,845,842	-	-	-	-	-	2,720,345,842
Balance as at 31 December 2013	140,000,000	-	2,698,945,842	14,000,000	392,254,201	99,877	(152,365,167)	(152,265,290)	3,092,934,753
Balance as at 1 January 2014	140,000,000	-	2,698,945,842	14,000,000	392,254,201	99,877	(152,365,167)	(152,265,290)	3,092,934,753
Profit for the year	-	-	-	-	38,887,318	-	-	-	38,887,318
Other comprehensive income for the year	-	-	-	-	5,577,216	(1,568,596)	-	(1,568,596)	4,008,620
Total comprehensive income for the year	-	-	-	-	44,464,534	(1,568,596)	-	(1,568,596)	42,895,938
Dividend paid (Note 26)	167,999,998	-	-	-	(341,598,897)	-	-	-	(173,598,899)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	27,591,817	(27,591,817)	-	-	-	-
Share subscription received in advance (Note 19)	-	302,958	-	-	-	-	-	-	302,958
Balance as at 31 December 2014	307,999,998	302,958	2,698,945,842	41,591,817	67,528,021	(1,468,719)	(152,365,167)	(153,833,886)	2,962,534,750

The accompanying notes are an integral part of the financial statements.

Mono Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2014

(Unit : Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share subscription receive in advance	Premium on ordinary shares	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 1 January 2013	115,500,000	-	3,100,000	14,000,000	176,267,937	308,867,937
Total comprehensive income for the year	-	-	-	-	557,215,608	557,215,608
Dividend paid (Note 26)	-	-	-	-	(585,197,025)	(585,197,025)
Increase share capital (Note 18)	24,500,000	-	2,695,845,842	-	-	2,720,345,842
Balance as at 31 December 2013	<u>140,000,000</u>	<u>-</u>	<u>2,698,945,842</u>	<u>14,000,000</u>	<u>148,286,520</u>	<u>3,001,232,362</u>
Balance as at 1 January 2014	140,000,000	-	2,698,945,842	14,000,000	148,286,520	3,001,232,362
Total comprehensive income for the year	-	-	-	-	555,987,317	555,987,317
Dividend paid (Note 26)	167,999,998	-	-	-	(341,598,897)	(173,598,899)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	27,591,817	(27,591,817)	-
Share subscription receive in advance (Note 19)	-	302,958	-	-	-	302,958
Balance as at 31 December 2014	<u>307,999,998</u>	<u>302,958</u>	<u>2,698,945,842</u>	<u>41,591,817</u>	<u>335,083,123</u>	<u>3,383,923,738</u>

The accompanying notes are an integral part of the financial statements.

Mono Technology Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2014

1. General information

Mono Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Mr. Pete Bodharamik is a major shareholder of the Company. The registered office of the Company is at 200 Jasmine International tower 16th Floor, Moo 4 Chaengwattana Road, Pakkred, Nonthaburi. The core businesses of the Company and its subsidiaries are as follows:

- a) The media and content business consists of Mobile Value Added Service (MVAS), Internet business, publishing business and TV business
- b) Entertainment business consists of music business and movie business

2. Basis for the preparation of financial statements

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2014</u> Percent	<u>2013</u> Percent
<u>Held by the Company</u>				
Mono Generation Co., Ltd.	Production, distribution and service of entertainment contents, magazine and other books, including motion picture, music and other entertainment media	Thailand	100	100
Mono Travel Co., Ltd.	Service of offering hotel accommodations, tour package and air ticket, including production and service of contents	Thailand	100	100
Mono Production Co., Ltd.	Production, manufacturers of TV media and other media, including service of entertainment contents	Thailand	100	100
Mono Info Systems Co., Ltd.	Production, manufacturers and providers software; Enterprise software and Digital content	Thailand	100	100
Mono Entertainment Co., Ltd.	Production, distribution and service of entertainment contents, including other entertainment media	Thailand	100	100
Mono Radio Co., Ltd.	Radio station and broadcast business	Thailand	100	-
Mono Radio Broadcast Co., Ltd.	Radio station and broadcast business	Thailand	100	-
Mono Technology Korea Corporation	Provide information and entertainment content through several channels	Korea	100	100
PT Mono Technology Indonesia (1% held by Mono Generation Co., Ltd.)	Provide information and entertainment content through several channels	Indonesia	99	99
Mono Technology Vietnam Co., Ltd.	Provide information and entertainment content through several channels	Vietnam	100	100
Mono Technology Hong Kong Ltd.	Provide information and entertainment content through several channels	Hong Kong	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2014</u> Percent	<u>2013</u> Percent
<u>Held by the subsidiaries</u>				
Mono Film Co., Ltd. (100% held by Mono Generation Co., Ltd.)	Production television program, film and other entertainment media, including service of contents	Thailand	-	-
Mono Sport Entertainment Co., Ltd. (100% held by Mono Production Co., Ltd.)	Organising sport tournament and other related activities, including team management and sport club establishment	Thailand	-	-
Mono Broadcast Co., Ltd. (100% held by Mono Production Co., Ltd.)	Broadcasting and television business	Thailand	-	-

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company and its subsidiaries believes that in most cases they have not resulted in changes in key principles. However, some of these financial reporting standards, involved changes to key principles, are as follows:

Accounting Standard:

TAS 19 (revised 2014) Employee Benefits

Financial Reporting Standards:

TFRS 10 Consolidated Financial Statements

TFRS 11 Joint Arrangements

TFRS 12 Disclosure of Interests in Other Entities

TFRS 13 Fair Value Measurement

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that the accounting standard and financial reporting standards will not have any significant impact on the financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Revenues from mobile value added service, advertising and other services relating to Internet business and TV business are recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less from acquisition date and not subject to withdrawal restrictions.

4.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Compact discs, video compact discs, digital versatile discs and video clips are valued at the lower of cost (First-in, First-out method) and net realisable value.

Magazines and pocket books are valued at the lower of cost (Specific identification method) and net realisable value.

4.5 Investments

Investments in subsidiaries are accounted for in the separate financial statements are stated at cost net of allowance for impairment loss (if any). The weighted average method is used for computation of the cost of investments.

4.6 Property and equipment/Depreciation

Land is stated at cost. Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvement	-	3, 5, 10	years
Furniture, fixtures and office equipment	-	3 - 5	years
Computer and equipment	-	3 - 5	years
Motor vehicles	-	5	years

Depreciation is charged to profit or loss.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and allowance for loss on impairment of assets (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that an intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>	
Cost of spectrum license	15	years
Cost of website	10	years
Films, music and video copyright	5	years or contract period
Other copyright	3, 5	years or contract period
Computer software	3, 5, 20	years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

4.9 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease period.

Leases of building and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are charged to profit or loss

4.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

4.13 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Land and equipment/Depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

The followings are relationships with enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

Name of entities	Nature of relationship
Subsidiary companies	More than 50% shareholding by the Company
Jasmine Group	Common major shareholders and directors
Toyota PS Enterprise Co., Ltd.	Common directors
Green Star Environment Co., Ltd.	Common directors
Media Shaker Co., Ltd.	Common directors

During the year, the Company and its subsidiaries had significant business transactions with related persons or parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

	Consolidated financial statements		(Unit: Million Baht)
			Transfer Pricing Policy
	2014	2013	
<u>Transactions with related companies</u>			
Sales and service income	44	32	Contract price
Other income	1	2	Contract price or as agreed upon
Promotional expenses	1	1	Contract price
Rental and service expenses	65	53	Contract price or as agreed upon
Other expenses	22	18	Contract price or as agreed upon
Purchases of equipment	-	1	Market price

	Separate financial statements		(Unit: Million Baht)
			Transfer Pricing Policy
	2014	2013	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Sales and service income	5	4	Contract price
Dividend income	331	349	According to the resolution of the subsidiaries' meeting
Interest income	29	2	3% per annum
Other income	48	43	Contract price or as agreed upon
Service revenue sharing	467	576	Contract price
Promotional expenses	11	21	Contract price
Other expenses	10	3	Contract price
Interest expenses	-	1	3% per annum
<u>Transactions with related companies</u>			
Sales and service income	17	15	Contract price
Promotional expenses	-	1	Contract price
Rental and service expenses	46	43	Contract price or as agreed upon
Other expenses	20	16	Contract price or as agreed upon

As at 31 December 2014 and 2013, the balances of accounts between the Company, its subsidiaries and those related parties were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Trade receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	10	6
(eliminated from the consolidated financial statements)				
Related companies	15	18	8	7
Total trade receivables - related parties	<u>15</u>	<u>18</u>	<u>18</u>	<u>13</u>
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	139	92
Total other receivables - related parties	<u>-</u>	<u>-</u>	<u>139</u>	<u>92</u>
<u>Dividend receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	92	83
(eliminated from the consolidated financial statements)				
Total dividend receivables - related parties	<u>-</u>	<u>-</u>	<u>92</u>	<u>83</u>
<u>Deposits and retentions - related parties</u>				
Related companies	7	8	6	5
Total deposits and retentions - related parties	<u>7</u>	<u>8</u>	<u>6</u>	<u>5</u>
<u>Trade payables - related parties (Note 14)</u>				
Subsidiaries	-	-	78	81
(eliminated from the consolidated financial statements)				
Related companies	-	3	-	3
Total trade payables - related parties	<u>-</u>	<u>3</u>	<u>78</u>	<u>84</u>
<u>Other payables - related parties (Note 14)</u>				
Subsidiaries	-	-	14	5
(eliminated from the consolidated financial statements)				
Related companies	15	14	9	8
Total other payables - related parties	<u>15</u>	<u>14</u>	<u>23</u>	<u>13</u>

Short-term loans to subsidiaries

As at 31 December 2014 and 2013, the balances of short-term loans to subsidiaries and the movements were as follows:

(Unit: Million Baht)

	Separate financial statements			
	2013	During the year		2014
		Increase	Decrease	
Mono Generation Co., Ltd.	70	540	-	610
Mono Travel Co., Ltd.	13	5	-	18
Mono Production Co., Ltd.	-	755	-	755
Mono Entertainment Co., Ltd.	-	45	-	45
PT Mono Technology Indonesia	10	1	-	11
Mono Technology Korea Corporation	10	36	-	46
Mono Technology Vietnam Co., Ltd.	3	9	-	12
	<u>106</u>	<u>1,391</u>	<u>-</u>	<u>1,497</u>

Directors and management's benefits

During the year ended 31 December 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management amounting to Baht 46 million (2013: Baht 43 million) and of the Company only amounting to Baht 27 million (2013: Baht 27 million).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties as described in Note 28.2 a) to the financial statements.

7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Bank deposits	389	774	238	530
Bills of exchange	209	101	209	101
Total	<u>598</u>	<u>875</u>	<u>447</u>	<u>631</u>

8. Trade and other receivables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade receivables - related parties (Note 6)	15	18	18	13
Trade receivables - unrelated parties	270	193	156	158
Accrued revenue	210	157	173	144
Dividend receivables - related parties (Note 6)	-	-	92	83
Other receivables - related parties (Note 6)	-	-	139	92
Other receivables - unrelated parties	91	56	11	19
Total	586	424	589	509
Less: Allowance for doubtful accounts	(8)	(8)	(4)	(3)
Trade and other receivables - net	578	416	585	506

The outstanding balances of trade receivables as at 31 December 2014 and 2013, aged on the basis of due dates, are summarised below.

(Unit: Million Baht)

Age of receivables	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Trade receivables - related parties</u>				
Not yet due	12	3	10	2
Past due				
Up to 3 months	2	14	2	7
Longer than 3 - 6 months	-	1	-	1
Longer than 6 - 12 months	-	-	1	2
Longer than 12 months	1	-	5	1
Total trade receivables - related parties	15	18	18	13

(Unit: Million Baht)

Age of receivables	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Trade receivables - unrelated parties</u>				
Not yet due	207	139	140	118
Past due				
Up to 3 months	46	49	11	30
Longer than 3 - 6 months	11	7	1	4
Longer than 6 - 12 months	10	8	-	1
Longer than 12 months	15	10	4	5
	289	213	156	158
Less: Allowance for sales return	(19)	(20)	-	-
	270	193	156	158
Less: Allowance for doubtful accounts	(8)	(8)	(4)	(3)
Total trade receivables - unrelated parties, net	262	185	152	155
Total trade receivables - net	277	203	170	168

9. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	11	13	(6)	(7)	5	6
Work in process	3	1	-	-	3	1
Total	14	14	(6)	(7)	8	7

10. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Separate financial statements					
	Paid-up capital		Cost		Dividend received during the year	
	2014	2013	2014	2013	2014	2013
Mono Generation Co., Ltd.	132	132	52	52	-	-
Mono Travel Co., Ltd.	20	20	9	9	-	-
Mono Info Systems Co., Ltd.	8	8	8	8	331	349
Mono Production Co., Ltd.	320	320	320	320	-	-
Mono Entertainment Co., Ltd.	38	58	55	55	-	-
Mono Radio Co., Ltd.	-	-	-	-	-	-
Mono Radio Broadcast Co., Ltd.	-	-	-	-	-	-
PT Mono Technology Indonesia	4	4	4	4	-	-
Mono Technology Korea Corporation	18	18	18	18	-	-
Mono Technology Hong Kong Ltd.	107	-	107	-	-	-
Mono Technology Vietnam Co., Ltd.	3	3	3	3	-	-
			<u>576</u>	<u>469</u>	<u>331</u>	<u>349</u>

On 15 January 2014, the Company invested in all ordinary shares, amounting to Baht 107 million, of Mono Technology Hong Kong Ltd. (fully paid-up), registered in Hong Kong Special Administrative Region of the People's Republic of China. This subsidiary is engaged in providing information and entertainment content through several channels.

In December 2014, the Company invested in all ordinary shares of Mono Radio Co., Ltd. and Mono Radio Broadcast Co., Ltd., amounting to Baht 0.25 million each (25% paid-up share capital).

On 27 November 2013, the Extraordinary General Meeting of Mono Entertainment Co., Ltd.'s shareholders passed a resolution approving the reduction in its registered and paid-up share capital amounting to Baht 20 million, in order to write-off deficit.

As at 31 December 2014, the net book value of subsidiaries was lower than the cost of investment, by Baht 222 million. However, the Company did not record the impairment of such investments since the management of the Company believed that the decrease was not permanent.

11. Land and equipment

(Unit: Million Baht)

Consolidated financial statements							
	Land and land improvement	Leasehold improvement	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Assets under installation	Total
Cost							
1 January 2013	-	36	52	121	18	1	228
Additions	-	3	10	39	1	79	132
Transfer in (out)	-	5	-	-	-	(5)	-
31 December 2013	-	44	62	160	19	75	360
Additions	2	15	77	46	6	194	340
Disposals/write off	-	-	(1)	-	-	-	(1)
Transfer in (out)	242	11	1	11	-	(265)	-
31 December 2014	244	70	139	217	25	4	699
Accumulated depreciation:							
1 January 2013	-	7	22	68	7	-	104
Depreciation for the year	-	4	9	21	2	-	36
31 December 2013	-	11	31	89	9	-	140
Depreciation for the year	-	6	18	29	3	-	56
Depreciation on disposals	-	-	(1)	-	-	-	(1)
31 December 2014	-	17	48	118	12	-	195
Net book value:							
31 December 2013	-	33	31	71	10	75	220
31 December 2014	244	53	91	99	13	4	504
Depreciation for the year							
2013 (Baht 24 million included in cost of services, and the balance in administrative expenses)							36
2014 (Baht 38 million included in cost of services, and the balance in administrative expenses)							56

(Unit: Million Baht)

	Separate financial statements					
	Leasehold improvement	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Assets under installation	Total
Cost						
1 January 2013	29	22	76	6	2	135
Additions	1	2	6	-	5	14
Disposals/write off	-	(1)	-	-	-	(1)
Transfer in (out)	5	-	-	-	(5)	-
31 December 2013	35	23	82	6	2	148
Additions	-	2	11	1	11	25
Transfer in (out)	1	1	11	-	(13)	-
31 December 2014	36	26	104	7	-	173
Accumulated depreciation:						
1 January 2013	3	6	48	1	-	58
Depreciation for the year	4	4	11	1	-	20
31 December 2013	7	10	59	2	-	78
Depreciation for the year	4	5	12	1	-	22
31 December 2014	11	15	71	3	-	100
Net book value:						
31 December 2013	28	13	23	4	2	70
31 December 2014	25	11	33	4	-	73
Depreciation for the year						
2013 (Baht 10 million included in cost of services, and the balance in administrative expenses)						20
2014 (Baht 11 million included in cost of services, and the balance in administrative expenses)						22

As at 31 December 2014, certain items of equipment of the Company and its subsidiaries had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 73 million (2013: Baht 49 million) and of the Company only amounting to Baht 39 million (2013: Baht 19 million).

As at 31 December 2014, the Company and its subsidiaries had vehicles and equipment with net book values Baht 26 million (2013: Baht 44 million) and of the Company only amounting to Baht 4 million (2013: Baht 12 million) acquired under finance lease agreements.

12. Intangible assets

(Unit: Million Baht)

Consolidated financial statements						
	Website copyright	Films, music and video copyright	Other copyright	Program computer	Work in process	Total
Cost						
1 January 2013	71	44	-	12	4	131
Additions	-	10	16	-	224	250
Disposals/write off	-	(1)	-	-	(2)	(3)
Transfer in (out)	-	85	6	-	(91)	-
31 December 2013	71	138	22	12	135	378
Additions	-	246	13	6	787	1,052
Disposals/write off	-	(1)	-	(6)	(1)	(8)
Transfer in (out)	12	334	76	30	(452)	-
31 December 2014	83	717	111	42	469	1,422
Accumulated amortisation :						
1 January 2013	20	5	-	7	-	32
Amortisation for the year	-	20	1	1	-	22
31 December 2013	20	25	1	8	-	54
Amortisation for the year	4	126	11	4	-	145
31 December 2014	24	151	12	12	-	199
Allowance for impairment loss:						
1 January 2013	1	1	-	-	2	4
Decrease during the year	-	(1)	-	-	(2)	(3)
31 December 2013	1	-	-	-	-	1
31 December 2014	1	-	-	-	-	1
Net book value:						
31 December 2013	50	113	21	4	135	323
31 December 2014	58	566	99	30	469	1,222
Amortisation for the year						
2013 (Baht 20 million included in cost of services, and the balance in administrative expenses)						22
2014 (Baht 141 million included in cost of services, and the balance in administrative expenses)						145

(Unit: Million Baht)

Separate financial statements

	Website copyright	Films, music and video copyright	Program computer	Work in process	Total
Cost					
1 January 2013	11	6	3	-	20
Additions	-	1	-	9	10
Transfer in (out)	-	2	-	(2)	-
31 December 2013	11	9	3	7	30
Additions	-	-	-	4	4
Transfer in (out)	-	-	1	(1)	-
31 December 2014	11	9	4	10	34
Accumulated amortisation :					
1 January 2013	4	1	2	-	7
Amortisation for the year	-	2	-	-	2
31 December 2013	4	3	2	-	9
Amortisation for the year	-	2	-	-	2
31 December 2014	4	5	2	-	11
Allowance for diminution in value :					
31 December 2013	1	-	-	-	1
31 December 2014	1	-	-	-	1
Net book value:					
31 December 2013	6	6	1	7	20
31 December 2014	6	4	2	10	22
Amortisation for the year					
2013 (Baht 2 million included in cost of services, and the balance in administrative expenses)					2
2014 (Baht 2 million included in cost of services, and the balance in administrative expenses)					2

13. Cost of spectrum license

(Unit: Million Baht)

Cost	
31 December 2013	-
Additions	2,251
31 December 2014	<u>2,251</u>
Accumulated amortisation	
31 December 2013	-
Amortisation for the year	103
31 December 2014	<u>103</u>
Net book value	
31 December 2013	-
31 December 2014	<u>2,148</u>

Mono Broadcast Co., Ltd. ("Broadcast") won a digital TV spectrum license auction for variety Standard Definition (SD) ("the license") held by the National Broadcasting and Telecommunications Commission ("NBTC"). Broadcast was required to make payment for the bid price of Baht 2,250 million (exclusive of VAT) under the following payment conditions:

- 1) Payment for the minimum bid price amounting to Baht 380 million, divided into 4 installments and has to be made within 3 years from the date of obtaining the license as specified by NBTC.
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,870 million, the payment is divided into 6 installments and has to be made within 5 years from the date of obtaining the license as specified by NBTC.

The license is valid for 15 years from the date of the license (25 April 2014). On 11 February 2014, Broadcast paid 50% of the minimum bid price and 10% of the exceeding amount of the minimum bid price plus VAT, totaling Baht 365 million, net of the deposit for digital TV spectrum license auction amounting to Baht 38 million, and submitted bank guarantee to pay the remaining bid price to the NBTC. Broadcast recorded the remaining bid price of Baht 1,873 million (exclusive of VAT) as "Cost of spectrum license payable" in the consolidated statement of financial position.

In addition, Broadcast is required to pay license fee, other fees and fee for the Broadcasting and Telecommunications Research and Development Fund for the Public Interest as specified by NBTC.

In compliance with preconditions to receive the license, on 17 January 2014 Broadcast entered into a lease agreement to lease for digital terrestrial television service with the Royal Thai Army Radio and Television Station (“RTART”) to broadcast digital television signal via RTART multiplexes. The service will be valid from 17 January 2014 to 31 May 2028 and Broadcast must pay a monthly service fee as stipulated in the agreement.

14. Trade and other payables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade payables - related parties (Note 6)	-	3	78	84
Trade payables - unrelated parties	172	100	81	68
Other payables - related parties (Note 6)	15	14	23	13
Other payables - unrelated parties	56	41	12	23
Accrued expenses	49	38	3	16
Payables for equipment	75	11	5	3
Total trade and other payables	<u>367</u>	<u>207</u>	<u>202</u>	<u>207</u>

15. Long-term loan from bank

In 2014, Broadcast entered into a new loan agreement with a local commercial bank amounting to Baht 1,350 million. The loan is subject to interest at a rate close to the Minimum Loan Rate and is to be settled on a quarterly basis in 24 installments. The first installment will be due on 30 September 2017 and settlement is to be completed by 30 June 2023. The loan is guaranteed by the Company. The loan agreement contains several covenants, among other things, require Broadcast to maintain certain financial ratios at the rate prescribed in the agreements and the shareholdings of its current shareholders.

As at 31 December 2014, the long-term credit facility of Broadcast which has not yet been drawn down amounted to Baht 947 million.

16. Liabilities under finance lease agreements

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Liabilities under finance lease agreements	20	34	1	5
Less : Deferred interest expenses	(1)	(2)	-	-
Total	19	32	1	5
Less : Portion due within one year	(13)	(17)	(1)	(4)
Liabilities under finance lease agreements - net of current portion	6	15	-	1

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

As at 31 December 2014

	Consolidated			Separate		
	financial statements			financial statements		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	14	6	20	1	-	1
Deferred interest expenses	(1)	-	(1)	-	-	-
Present value of future minimum lease payments	13	6	19	1	-	1

(Unit: Million Baht)

As at 31 December 2013

	Consolidated			Separate		
	financial statements			financial statements		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	19	15	34	4	1	5
Deferred interest expenses	(2)	-	(2)	-	-	-
Present value of future minimum lease payments	17	15	32	4	1	5

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	24	19	14	11
Current service cost	4	4	1	2
Interest cost	1	1	-	1
Actuarial gain	(7)	-	(5)	-
Provisions for long-term employee benefits at end of year	<u>22</u>	<u>24</u>	<u>10</u>	<u>14</u>

Long-term employee benefit expenses included in the profit or loss consist of the follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service cost	4	4	1	2
Interest cost	1	1	-	1
Total expenses recognised in profit or loss (presented under selling and administrative expenses)	<u>5</u>	<u>5</u>	<u>1</u>	<u>3</u>

As at 31 December 2014, cumulative actuarial gains, which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 7 million and of the Company only Baht 5 million.

Key actuarial assumptions at the valuation date were as follows:

	2014	2013
	(% per annum)	(% per annum)
Discount rate	4%	3.9 - 4.4%
Future salary increase rate	5%	5%

The amounts of defined benefit obligations and experience adjustments for the current year and the past three years are as follows:

(Unit: Million Baht)

	Defined benefit obligation		Experience adjustments on the obligations	
	Consolidated	Separate financial	Consolidated	Separate financial
	financial statements	statements	financial statements	statements
Year 2014	22	10	-	-
Year 2013	24	14	-	-
Year 2012	19	11	(1)	(2)
Year 2011	13	7	-	-

18. Share capital

On 12 September 2014, the Extraordinary General Meeting of the Company's shareholders passed a resolution to increase the registered capital from Baht 140 million to Baht 462 million, by issuing up to 3,220 million additional ordinary shares with a par value of Baht 0.1 each, to support the payment of the stock dividend, as described in Note 26 to the financial statements, and the exercise of the first tranche of warrants to purchase the Company's ordinary shares (MONO-W1), as described in Note 19 to the financial statements.

On 24 September 2014, the Company registered with the Ministry of Commerce the increase in its registered capital to Baht 462 million (4,620,000,000 ordinary shares of Baht 0.1 each), and paid-up share capital to Baht 308 million (3,079,999,975 ordinary shares of Baht 0.1 each).

On 3 June 2013, the Company made an initial public offering of 245 million shares with a par value of Baht 0.1 each, at a price of Baht 11.40 per share, for total proceeds of Baht 2,793 million. The Company incurred expenses relating to the share offering totaling Baht 73 million (net of income tax of Baht 17 million), and these were presented as a deduction from the premium on ordinary shares. The Company registered the increase of its paid-up share capital to Baht 140 million (1,400 million ordinary shares of Baht 0.1 each) with the Ministry of Commerce on the same date.

19. Warrants

On 12 September 2014, the Extraordinary General Meeting of the Company's shareholders passed a resolution approving the issuance of a first tranche of 1,540 million warrants to purchase the Company's ordinary shares (MONO-W1) to existing shareholders, free of charge. The warrants, which were issued in a ratio of 15 warrants for every 14 existing ordinary shares, have an exercise period of 5 years from the date of issuance, and are exercisable every 3 months. One warrant provides the right to purchase one ordinary share (with a par value of Baht 0.1 each) at an exercise price of Baht 2.5. The first exercise date is the last business day of December 2014. The Company issued and allocated the warrants to the existing shareholders on 17 October 2014.

In 2014, 121,183 warrants were exercised to purchase 121,183 new ordinary shares, which the Company registered as share capital with the Ministry of Commerce on 8 January 2015. As a result, the Company presented the cash received from the exercise of these warrants, amounting to Baht 0.3 million, under the caption of "share subscription received in advance" in the shareholders' equity as at 31 December 2014.

As at 31 December 2014, 1,539,878,817 warrants remained unexercised.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Salaries and wages and other employee benefits	381	258	144	107
Cost of Mobile Value Added Services	289	213	675	770
Depreciation and amortisation	201	59	25	22
Advertising and sales promotion expenses	172	85	42	62
Utilities expenses	105	80	73	65
Amortisation cost of spectrum license	103	-	-	-
Cost of sale	68	69	-	-
Cost of production	28	31	-	-

22. Income tax

Income tax for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Income tax charge	56	38	56	35
Deferred tax relating to origination and reversal of temporary differences	(121)	(16)	-	(2)
Effects of income tax related to the share offering (Note 18)	-	17	-	18
Income tax expense reported in the statement of comprehensive income	<u>(65)</u>	<u>39</u>	<u>56</u>	<u>51</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Actuarial gains	1	-	1	-
Income tax reported in the other comprehensive income	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accounting profit (loss) before tax	(26)	540	608	608
Income tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(5)	108	122	122
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit:				
Promotional privileges (Note 23)	(66)	(68)	-	-
Dividend income from subsidiaries	-	-	(66)	(70)
Others	6	(1)	-	(1)
Income tax reported in the statement of comprehensive income	(65)	39	56	51

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated statements of		Profit or loss in consolidated statements	
	financial position		of comprehensive income	
	As at		For the years ended 31 December	
	31 December 2014	31 December 2013	2014	2013
Deferred tax assets (liabilities)				
Allowance for doubtful accounts and allowance for sale return	5	6	1	(6)
Intangible assets (Difference in amortisation)	(8)	(8)	-	8
Provision for long-term employee benefits	4	5	-	(5)
Unused tax loss	133	12	(121)	(12)
Others	2	1	(1)	(1)
Deferred tax relating to origination and reversal of temporary differences			(121)	(16)
Deferred tax assets - net	136	16		
Presented as follows:				
Deferred tax asset	142	22		
Deferred tax liabilities	(6)	(6)		
Total	136	16		

(Unit: Million Baht)

	Separate statements of financial position		Profit or loss in separate statements of comprehensive income	
	As at		For the years ended 31 December	
	31 December 2014	31 December 2013	2014	2013
Deferred tax assets (liabilities)				
Allowance for doubtful accounts	1	1	-	(1)
Intangible assets (Difference in amortization)	(1)	(1)	-	1
Provision for long-term employee benefits	2	3	-	(3)
Others	(1)	(1)	-	1
Deferred tax relating to origination and reversal of temporary differences			-	(2)
Deferred tax assets - net	<u>1</u>	<u>2</u>		

As at 31 December 2014 the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 49 million (2013: Baht 22 million). No deferred tax assets have been recognised on these amounts as the subsidiaries believe their future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

23. Promotional privileges

On 11 January 2011, Mono Info Systems Co., Ltd., ("MIS") has received promotional tax privileges from the Board of Investment, pursuant to the investment promotion certificate No. 1029(7)/2554. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date of the promoted operations begin generating revenues (31 July 2011).

In 2014, MIS had revenues from the promoted operations amounting to Baht 359 million (2013: Baht 374 million).

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of stock dividend, as discussed in Note 26 to the financial statements. The number of ordinary shares of the prior year has been adjusted as if the stock dividend had been distributed at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the parent					
39	501	3,080	2,854	0.01	0.18
Effect of dilutive potential ordinary shares					
Warrants offered to existing shareholders					
-	-	109	-		
Diluted earnings per share					
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares					
39	501	3,189	2,854	0.01	0.18

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the parent	552	557	3,080	2,854	0.18	0.20
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	109	-		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>552</u>	<u>557</u>	<u>3,189</u>	<u>2,854</u>	0.17	0.20

25. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and their employees contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Asset management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company and its subsidiaries contributed Baht 10 million (2013: Baht 8 million) to the fund and of the Company only amounting to Baht 5 million (2013: Baht 4 million).

26. Dividends

Dividends	Approved by	Total dividends (Unit: Million Baht)	Dividend per share (Unit: Baht per share)
Annual dividends for 2013	Annual General Meeting of the shareholders on 11 April 2014	145.6	0.10
Interim dividend payment for 2014	Extraordinary General Meeting of the shareholders on 12 September 2014		
- Cash dividend		28.0	0.02
- Stock dividend of 1,680,000,000 ordinary shares		<u>168.0</u>	<u>0.12</u>
Total dividend payments for the year		<u>341.6</u>	<u>0.24</u>

Dividends	Approved by	Total dividends (Unit: Million Baht)	Dividend per share (Unit: Baht per share)
Annual dividends for 2012	Annual General Meeting of the shareholders on 13 March 2013	161.7	0.14
Interim dividends for 2013	The Company's Board of Director's Meeting on 8 May 2013	161.7	0.14
	The Company's Board of Director's Meeting on 7 August 2013	161.0	0.12
	The Company's Board of Director's Meeting on 6 November 2013	100.8	0.07
Total dividend payments for the year 2013		<u>585.2</u>	<u>0.47</u>

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries' operations are mainly carried on in Thailand. As a result, all of the revenues, and assets as reflected in these financial statements pertain to the aforementioned geographical reportable area.

Most of revenues of the Company and its subsidiaries are from three major customers.

Below is revenues and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013.

(Unit: Million Baht)

	Media and Content ⁽¹⁾		Entertainment ⁽²⁾		Elimination of inter-segment revenues		Consolidation	
	2014	2013	2014	2013	2014	2013	2014	2013
Sales and service income								
Revenues from external customers	1,413	1,308	114	99	-	-	1,527	1,407
Inter-segment revenues	-	-	34	13	(34)	(13)	-	-
Total revenues	<u>1,413</u>	<u>1,308</u>	<u>148</u>	<u>112</u>	<u>(34)</u>	<u>(13)</u>	<u>1,527</u>	<u>1,407</u>
Segment income	508	790	(7)	35			501	825
Unallocated income and expenses:								
Other income							77	91
Selling and servicing expenses							(182)	(101)
Administrative expenses							(407)	(272)
Finance cost							(15)	(3)
Income tax							65	(39)
Profit for the year							<u>39</u>	<u>501</u>

⁽¹⁾ The media and content segment consists of Mobile Value Added Services (MVAS), Internet media business, publishing business and TV media business.

⁽²⁾ The entertainment segment consists of music business and movie business.

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2014, the Company and its subsidiaries had capital commitments of approximately Baht 363 million (2013: Baht 160 million), relating to acquisition of land, equipment and movie rights.

28.2 Guarantees

- a) As at 31 December 2014, the Company and its subsidiaries had guaranteed credit facilities of the Company and its subsidiaries amounting to Baht 3,947 million (2013: Baht 100 million) and of the Company only amounting to Baht 3,907 Million (2013: Baht 60 million).
- b) As at 31 December 2014, the Company and its subsidiaries had outstanding bank guarantees of Baht 2,147 million (2013: Baht 6 million) and of the Company only amounting to Baht 6 million (2013: Baht 5 million) issued by banks on behalf of the Company and its subsidiaries in respect of performance bonds.

28.3 Operating lease and service commitments

The Company and its subsidiaries had entered into several lease agreements in respect of the lease of office building space and other services contracts. The terms of the agreements were generally between 1 and 15 years.

As at 31 December 2014 and 2013, future minimum lease payments required under these non-cancellable operating lease and service contracts were as follows.

	(Unit: Million Baht)	
	2014	2013
Payable:		
in up to 1 year	179	69
in over 1 and up to 5 years	343	57
in over 5 years	477	-

29. Financial instruments

29.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, trade and other payables, loans, borrowings, and financial lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries is exposed to credit risk primarily with respect to trade and other receivables, and loans. The Company and its subsidiaries manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. However, the Company and its subsidiaries is exposed to concentrations of credit risk with respect to trade receivables because it has a few major customers who are in the same industry. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, current investments, loans, borrowings and financial lease liabilities. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

29.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

30. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Company and its subsidiaries' debt-to-equity ratio was 0.93:1 (2013: 0.09:1) and the Company's was 0.07:1 (2013: 0.08:1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2015.