

Mono Technology Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2015

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 2015, 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 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in recognition of the cost of spectrum license. The Company has restated the consolidated financial statements for the year ended 31 December 2014, presented herein as comparative information, to reflect the adjustments resulting from such change. My opinion is not qualified in respect of this matter.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 19 February 2016

Mono Technology Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|------------------------------------------------------------|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2015 | 2014 (Restated) | 2015 | 2014 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 194,287,822 | 598,067,921 | 26,447,473 | 447,025,252 |
| Current investments - deposits with financial institutions | | 223,400 | 400,000,000 | - | 400,000,000 |
| Trade and other receivables | 9 | 554,263,316 | 577,613,242 | 714,733,620 | 585,355,837 |
| Short-term loans to subsidiaries | 7 | - | - | 2,385,741,067 | 1,496,740,909 |
| Inventories | 10 | 9,911,241 | 7,738,256 | - | - |
| Prepaid expenses | | 36,588,094 | 54,319,282 | 17,808,207 | 15,646,467 |
| Input tax pending payment | | 41,400,853 | 21,450,139 | 11,662,210 | 4,744,192 |
| Total current assets | | 836,674,726 | 1,659,188,840 | 3,156,392,577 | 2,949,512,657 |
| Non-current assets | | | | | |
| Restricted bank deposits | | 450,559 | 208,765 | 109,347 | 97,851 |
| Investments in subsidiaries | 11 | - | - | 566,713,061 | 575,996,072 |
| Property, plant and equipment | 12 | 716,686,350 | 503,823,253 | 69,186,879 | 73,186,598 |
| Intangible assets | 13 | 1,723,404,170 | 1,222,229,790 | 24,425,723 | 22,327,634 |
| Cost of spectrum license | 14 | 1,714,351,846 | 1,843,131,106 | - | - |
| Deferred tax assets | 25 | 210,783,276 | 142,404,514 | 2,284,130 | 1,361,041 |
| Other non-current assets | | 75,385,427 | 29,119,886 | 30,752,158 | 6,694,143 |
| Total non-current assets | | 4,441,061,628 | 3,740,917,314 | 693,471,298 | 679,663,339 |
| Total assets | | 5,277,736,354 | 5,400,106,154 | 3,849,863,875 | 3,629,175,996 |

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 2015

(Unit: Baht)

| | <u>Note</u> | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|------------------------------------------------|-------------|------------------------------------------|---------------------------|--------------------------------------|--------------------|
| | | <u>2015</u> | <u>2014</u> (Restated) | <u>2015</u> | <u>2014</u> |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 15 | 135,000,000 | - | 15,000,000 | - |
| Trade and other payables | 16 | 493,134,674 | 367,101,751 | 288,946,016 | 201,548,462 |
| Current portion of long-term liabilities | | | | | |
| Cost of spectrum license payable | | 339,122,509 | 211,031,458 | - | - |
| Liabilities under finance lease agreements | 18 | 10,600,433 | 13,067,344 | 3,151,979 | 770,498 |
| Income tax payable | 19 | - | 17,397,375 | - | 17,397,375 |
| Undue output tax | | 38,164,749 | 28,490,456 | 12,448,632 | 14,688,033 |
| Other current liabilities | | <u>3,459,290</u> | <u>6,522,763</u> | <u>-</u> | <u>352,103</u> |
| Total current liabilities | | <u>1,019,481,655</u> | <u>643,611,147</u> | <u>319,546,627</u> | <u>234,756,471</u> |
| Non-current liabilities | | | | | |
| Long-term loan from financial institutions | 17 | 725,460,000 | 403,390,000 | - | - |
| Long-term liabilities, net of current portions | | | | | |
| Cost of spectrum license payable | 18 | 1,069,408,048 | 1,408,530,556 | - | - |
| Liabilities under finance lease agreements | 19 | 8,739,607 | 5,698,051 | 4,387,139 | 68,962 |
| Provision for long-term employee benefits | 20 | 23,105,946 | 21,504,374 | 11,928,585 | 10,426,825 |
| Deferred tax liabilities | 25 | <u>7,978,780</u> | <u>6,146,995</u> | <u>-</u> | <u>-</u> |
| Total non-current liabilities | | <u>1,834,692,381</u> | <u>1,845,269,976</u> | <u>16,315,724</u> | <u>10,495,787</u> |
| Total liabilities | | <u>2,854,174,036</u> | <u>2,488,881,123</u> | <u>335,862,351</u> | <u>245,252,258</u> |

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 2015

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------------------|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2015 | 2014 (Restated) | 2015 | 2014 |
| Shareholders' equity | | | | | |
| Share capital | 21 | | | | |
| Registered | | | | | |
| 4,927,999,975 ordinary shares (2014: | | | | | |
| 4,620,000,000 ordinary shares) of Baht 0.1 each | | <u>492,799,998</u> | <u>462,000,000</u> | <u>492,799,998</u> | <u>462,000,000</u> |
| Issued and fully paid-up | | | | | |
| 3,100,935,537 ordinary shares (2014: | | | | | |
| 3,079,999,975 ordinary shares) of Baht 0.1 each | | 310,093,554 | 307,999,998 | 310,093,554 | 307,999,998 |
| Share subscription received in advance | | - | 302,958 | - | 302,958 |
| Premium on ordinary shares | | 2,749,191,191 | 2,698,945,842 | 2,749,191,191 | 2,698,945,842 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 23 | 49,280,000 | 41,591,817 | 49,280,000 | 41,591,817 |
| Unappropriated (deficit) | | (539,645,296) | 16,218,302 | 405,436,779 | 335,083,123 |
| Other components of shareholders' equity | | <u>(145,357,131)</u> | <u>(153,833,886)</u> | - | - |
| Total shareholders' equity | | <u>2,423,562,318</u> | <u>2,911,225,031</u> | <u>3,514,001,524</u> | <u>3,383,923,738</u> |
| Total liabilities and shareholders' equity | | <u>5,277,736,354</u> | <u>5,400,106,154</u> | <u>3,849,863,875</u> | <u>3,629,175,996</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 2015

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------------------------------------------------------------------|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2015 | 2014 (Restated) | 2015 | 2014 |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales and service income | | 1,892,953,253 | 1,526,312,845 | 1,082,824,686 | 1,278,394,590 |
| Dividend income from subsidiaries | 11 | - | - | 235,991,150 | 331,187,580 |
| Other income | | 32,182,168 | 77,113,889 | 141,827,437 | 139,007,472 |
| Total revenues | | <u>1,925,135,421</u> | <u>1,603,426,734</u> | <u>1,460,643,273</u> | <u>1,748,589,642</u> |
| Expenses | | | | | |
| Cost of sales and services | | 1,652,687,778 | 1,010,845,385 | 853,502,517 | 869,281,386 |
| Selling and servicing expenses | | 229,650,718 | 181,552,514 | 53,211,120 | 50,091,432 |
| Administrative expenses | | 449,909,816 | 406,081,282 | 262,704,730 | 220,806,099 |
| Loss on impairment of investment in subsidiaries | | - | - | 21,794,689 | - |
| Doubtful account | | - | 531,289 | 118,262,086 | 114,670 |
| Total expenses | | <u>2,332,248,312</u> | <u>1,599,010,470</u> | <u>1,309,475,142</u> | <u>1,140,293,587</u> |
| Profit (loss) before finance cost and income tax | | <u>(407,112,891)</u> | <u>4,416,264</u> | <u>151,168,131</u> | <u>608,296,055</u> |
| Finance cost | | <u>(133,097,062)</u> | <u>(81,294,927)</u> | <u>(888,953)</u> | <u>(149,962)</u> |
| Profit (loss) before income tax | | <u>(540,209,953)</u> | <u>(76,878,663)</u> | <u>150,279,178</u> | <u>608,146,093</u> |
| Income tax | 25 | <u>53,636,561</u> | <u>64,456,262</u> | <u>(10,635,316)</u> | <u>(56,309,748)</u> |
| Profit (loss) for the year | | <u>(486,573,392)</u> | <u>(12,422,401)</u> | <u>139,643,862</u> | <u>551,836,345</u> |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Exchange differences on translation of financial statements in foreign currency | | 8,476,755 | (1,568,596) | - | - |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i> | | | | | |
| Actuarial gains | | - | 6,909,438 | - | 5,188,715 |
| Income tax effect | | - | (1,332,222) | - | (1,037,743) |
| Other comprehensive income for the year | | <u>8,476,755</u> | <u>4,008,620</u> | <u>-</u> | <u>4,150,972</u> |
| Total comprehensive income for the year | | <u>(478,096,637)</u> | <u>(8,413,781)</u> | <u>139,643,862</u> | <u>555,987,317</u> |
| Earnings per share | | | | | |
| 27 | | | | | |
| Basic earnings (loss) per share | | | | | |
| Profit (loss) attributable to equity holders of the Company | | <u>(0.158)</u> | <u>(0.004)</u> | <u>0.045</u> | <u>0.179</u> |
| Diluted earnings (loss) per share | | | | | |
| Profit (loss) attributable to equity holders of the Company | | <u>(0.158)</u> | <u>(0.004)</u> | <u>0.041</u> | <u>0.173</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 2015

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------|--------------------------------------|--------------------|
| | <u>2015</u> | <u>2014</u> (Restated) | <u>2015</u> | <u>2014</u> |
| Cash flows from operating activities | | | | |
| Profit (loss) before tax | (540,209,953) | (76,878,663) | 150,279,178 | 608,146,093 |
| Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities | | | | |
| Depreciation | 70,440,502 | 55,654,792 | 23,675,732 | 21,975,019 |
| Amortisation | 455,881,267 | 145,351,415 | 2,147,540 | 2,653,523 |
| Amortisation cost of spectrum license | 128,779,260 | 88,557,792 | - | - |
| Doubtful accounts | - | 531,289 | 118,262,086 | 114,670 |
| Reduction of inventory cost to net realisable value (reversal) | 1,018,654 | (1,217,302) | - | - |
| Loss on impairment of investments in subsidiaries | - | - | 21,794,689 | - |
| Dividend income from investments in subsidiaries | - | - | (235,991,150) | (331,187,580) |
| Gains on sales of equipment | (411,443) | (86,276) | - | (1,890) |
| Losses on sales and written-off of intangible assets | 24,547,826 | 6,962,917 | - | - |
| Unrealised losses (gains) on exchange | 2,092,529 | (3,622) | (10,198,582) | (2,011,210) |
| Provision for employee benefits | 5,692,155 | 5,841,382 | 2,159,099 | 2,062,025 |
| Interest income | (5,001,399) | (26,607,126) | (69,446,742) | (54,883,229) |
| Interest expenses | 133,097,062 | 81,294,927 | 888,953 | 149,962 |
| Profit from operating activities before changes in operating assets and liabilities | 275,926,460 | 279,401,525 | 3,570,803 | 247,017,383 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 31,055,886 | (171,619,223) | (49,479,241) | (54,295,582) |
| Inventories | (3,191,639) | 154,457 | - | - |
| Prepaid expenses | 19,003,062 | (30,297,501) | (2,053,703) | (4,619,424) |
| Other non-current assets | 991,593 | 19,908,381 | 156,525 | 9,848,536 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (8,177,514) | 90,496,249 | 84,972,977 | (4,699,733) |
| Other current liabilities | (3,063,472) | 4,524,158 | (352,103) | (1,125,203) |
| Provision for employee benefits | (1,738,180) | - | - | - |
| Cash from operating activities | 310,806,196 | 192,568,046 | 36,815,258 | 192,125,977 |
| Cash paid for income tax | (82,070,062) | (58,999,816) | (53,170,320) | (50,725,971) |
| Cash received from withholding tax refund | 4,505,136 | 11,001,208 | - | 11,001,208 |
| Net cash from (used in) operating activities | 233,241,270 | 144,569,438 | (16,355,062) | 152,401,214 |

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 2015

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------------------------------------------|------------------------------------------|---------------------------|--------------------------------------|----------------------|
| | <u>2015</u> | <u>2014</u> (Restated) | <u>2015</u> | <u>2014</u> |
| Cash flows from investing activities | | | | |
| Interest income | 6,666,774 | 42,192,778 | 7,041,169 | 41,187,539 |
| Decrease in current investments - deposits with financial institutions | 399,776,600 | 1,001,431,274 | 400,000,000 | 1,001,501,274 |
| Increase in short-term loans to subsidiaries | - | - | (997,099,740) | (1,389,219,623) |
| Decrease (increase) in restricted bank deposits | (241,794) | 154,975 | (11,496) | (97,851) |
| Increase in investments in subsidiaries | - | - | (12,511,678) | (106,706,885) |
| Dividend received from investments in subsidiaries | - | - | 215,991,900 | 322,387,910 |
| Acquisitions of property, plant and equipment | (207,091,132) | (326,960,301) | (15,450,578) | (22,942,391) |
| Proceeds from sales of equipment | 618,589 | 45,025 | - | 45,021 |
| Acquisitions of intangible assets | (931,752,759) | (993,192,193) | (4,245,629) | (4,988,179) |
| Acquisition of spectrum license | (301,000,000) | (339,000,000) | - | - |
| Net cash used in investing activities | (1,033,023,722) | (615,328,442) | (406,286,052) | (158,833,185) |
| Cash flows from financing activities | | | | |
| Interest expenses | (44,400,392) | (15,421,811) | (996,990) | (149,962) |
| Increase in short-term loans from financial institutions | 135,000,000 | - | 15,000,000 | - |
| Cash receipt from long-term loan from financial institution | 322,070,000 | 403,390,000 | - | - |
| Repayment of liabilities under finance lease agreements | (15,917,912) | (19,354,557) | (2,713,577) | (3,952,661) |
| Proceeds from increase in share capital | 52,338,905 | - | 52,338,905 | - |
| Dividend paid to the Company's shareholders | (61,565,003) | (173,699,987) | (61,565,003) | (173,699,987) |
| Net cash from (used in) financing activities | 387,525,598 | 194,913,645 | 2,063,335 | (177,802,610) |
| Increase (decrease) in translation adjustments | 8,476,755 | (1,568,596) | - | - |
| Net decrease in cash and cash equivalents | (403,780,099) | (277,413,955) | (420,577,779) | (184,234,581) |
| Cash and cash equivalents at beginning of year | 598,067,921 | 875,481,876 | 447,025,252 | 631,259,833 |
| Cash and cash equivalents at end of year | 194,287,822 | 598,067,921 | 26,447,473 | 447,025,252 |
| | - | - | - | - |
| Supplemental cash flows information: | | | | |
| Non-cash transaction | | | | |
| Purchases of equipment for which no cash has been paid | 76,419,614 | 12,142,882 | 4,225,435 | 2,291,378 |
| Purchases of intangible assets for which no cash has been paid | 49,850,714 | 58,750,393 | - | - |
| 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 2015

(Unit: Baht)

| Consolidated financial statements | | | | | | | | | |
|-----------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------|-----------------------------|----------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------|----------------------------------|
| Equity attributable to owners of the Company | | | | | | | | | |
| | | | | | Other components of equity | | | | |
| | Issued and fully paid-up share capital | Share subscription received in advance | Premium on ordinary shares | Retained earnings | | Exchange differences on translation of financial statements in foreign currency | Business combination under common control | Total other components of shareholders' equity | Total shareholders' equity |
| | | | Appropriated | Unappropriated (deficit) | | | | | |
| 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 |
| Loss for the year - restated | - | - | - | - | (12,422,401) | - | - | - | (12,422,401) |
| Other comprehensive income for the year | - | - | - | - | 5,577,216 | (1,568,596) | - | (1,568,596) | 4,008,620 |
| Total comprehensive income for the year | - | - | - | - | (6,845,185) | (1,568,596) | - | (1,568,596) | (8,413,781) |
| Dividend paid (Note 29) | 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 | - | 302,958 | - | - | - | - | - | - | 302,958 |
| Balance as at 31 December 2014 - as restated | 307,999,998 | 302,958 | 2,698,945,842 | 41,591,817 | 16,218,302 | (1,468,719) | (152,365,167) | (153,833,886) | 2,911,225,031 |
| Balance as at 31 December 2014 - as previously reported | 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 |
| Effect of the change in recognition of cost of spectrum license (Note 4) | - | - | - | - | (51,309,719) | - | - | - | (51,309,719) |
| Balance as at 31 December 2014 - as restated | 307,999,998 | 302,958 | 2,698,945,842 | 41,591,817 | 16,218,302 | (1,468,719) | (152,365,167) | (153,833,886) | 2,911,225,031 |
| Loss for the year | - | - | - | - | (486,573,392) | - | - | - | (486,573,392) |
| Other comprehensive income for the year | - | - | - | - | - | 8,476,755 | - | 8,476,755 | 8,476,755 |
| Total comprehensive income for the year | - | - | - | - | (486,573,392) | 8,476,755 | - | 8,476,755 | (478,096,637) |
| Increase in share capital (Note 21) | 2,093,556 | (302,958) | 50,245,349 | - | - | - | - | - | 52,035,947 |
| Dividend paid (Note 29) | - | - | - | - | (61,602,023) | - | - | - | (61,602,023) |
| Unappropriated retained earnings transferred to statutory reserve | - | - | - | 7,688,183 | (7,688,183) | - | - | - | - |
| Balance as at 31 December 2015 | 310,093,554 | - | 2,749,191,191 | 49,280,000 | (539,645,296) | 7,008,036 | (152,365,167) | (145,357,131) | 2,423,562,318 |

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 2015

(Unit : Baht)

| | Separate financial statements | | | | | Total shareholders' equity |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|-------------------------------|-------------------|--------------------|----------------------------------|
| | Issued and fully paid-up share capital | Share subscription received in advance | Premium on ordinary shares | Retained earnings | | |
| | | | | Appropriated | Unappropriated | |
| 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 29) | 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 | - | 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> |
| Balance as at 1 January 2015 | 307,999,998 | 302,958 | 2,698,945,842 | 41,591,817 | 335,083,123 | 3,383,923,738 |
| Total comprehensive income for the year | - | - | - | - | 139,643,862 | 139,643,862 |
| Increase in share capital (Note 21) | 2,093,556 | (302,958) | 50,245,349 | - | - | 52,035,947 |
| Dividend paid (Note 29) | - | - | - | - | (61,602,023) | (61,602,023) |
| Unappropriated retained earnings transferred | | | | | | |
| to statutory reserve | - | - | - | 7,688,183 | (7,688,183) | - |
| Balance as at 31 December 2015 | <u>310,093,554</u> | <u>-</u> | <u>2,749,191,191</u> | <u>49,280,000</u> | <u>405,436,779</u> | <u>3,514,001,524</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 2015

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>2015</u> Percent | <u>2014</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, manufacturer of TV media and other media, including service of entertainment contents | Thailand | 100 | 100 |
| Mono Info Systems Co., Ltd. | Production, manufacturer 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 | 100 |
| Mono Radio Broadcast Co., Ltd. | Radio station and broadcast business | Thailand | 100 | 100 |
| Mono Talent Studio Co., Ltd | Service of actors, artist and entertainment contents | Thailand | 100 | - |
| Mono Technology Korea Corporation | Provided information and entertainment content through several channels | Korea | 100 | 100 |
| PT Mono Technology Indonesia (1% held by Mono Generation Co., Ltd.) | Provided information and entertainment content through several channels | Indonesia | 99 | 99 |
| Mono Technology Vietnam Co., Ltd. | Provided information and entertainment content through several channels | Vietnam | 100 | 100 |
| Mono Technology Hong Kong Ltd. | Provided information and entertainment content through several channels | Hong Kong | 100 | 100 |

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|------------------------|
| | | | <u>2015</u> Percent | <u>2014</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) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) 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.
- f) 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 present investments in subsidiaries under the cost method.

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 year

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which are 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 standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarised below:

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

The above accounting standard and financial reporting standards do not have any significant impact on the financial statements of the Company and its subsidiaries.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

4. Cumulative effect of the change in recognition of the cost of spectrum license

Mono Broadcast Company Limited ("Broadcast") has adjusted its recognition of the cost of licenses for digital television systems ("the license"). Broadcast originally determined that the bid price of the license should be treated as an initial cost of the license, and that the conditions setting the period of payment were in accordance with normal conditions clearly stipulated by the government agency. Broadcast therefore recorded the cost of the license as an asset and recorded the outstanding cost of the spectrum license, based on the bid price, as a liability. However, on 8 February 2016, the Federation of Accounting Professions ("FAP") published an exposure document providing an interpretation on accounting issues related to the recognition of licenses granted by the government sector, whereby gradual payment of license costs is interpreted as being similar to the sale of goods under installment terms and an entity is therefore required to determine the cost of the license based on the sum of the amounts to be paid immediately, within a specified period, and the discounted value of the amount that the entity is required to pay to the government agency in installments. Moreover, if an entity has not reported such transactions in accordance with this interpretation is to restate its prior year financial statements. As a result, Broadcast has adjusted cost of licenses for digital television systems in its financial statements for the year ended at 31 December 2014 (the spectrum license was granted on 25 April 2014) in accordance with the interpretation of the FAP, and the effect on the consolidated statement of financial position and the consolidated statement of comprehensive income are as follows:

| | (Unit: Million Baht) |
|----------------------------------------------|-------------------------------|
| | Consolidated |
| | financial statements |
| | <u>As at 31 December 2014</u> |
| Statements of financial position | |
| Decrease in cost of spectrum license | 305 |
| Decrease in cost of spectrum license payable | 254 |
| Decrease in unappropriated retained earning | 51 |

| | (Unit: Million Baht) |
|------------------------------------------------------------------|---------------------------|
| | Consolidated |
| | financial statements |
| | <u>For the year ended</u> |
| | <u>31 December 2014</u> |
| Statements of comprehensive income | |
| Profit or loss: | |
| Decrease in amortisation cost of spectrum license | 15 |
| Increase in finance cost | 66 |
| Decrease in profit attributable to equity holders of the Company | 51 |
| Decrease in basic earnings per share (Baht) | 0.017 |

5. Significant accounting policies

5.1 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.

5.2 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.

5.3 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.

5.4 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.

5.5 Investments

Investments in subsidiaries 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.

5.6 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 | - | 5, 10 | years |
| Furniture, fixtures and office equipment | - | 4, 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.

5.7 Intangible assets, cost of spectrum license and amortisation

Intangible assets and cost of spectrum license are recognised at cost, and for the cost of spectrum license was measured at the cash equivalent price based on the present value of the installments. The difference between the total payment to be made and the cash equivalent price is recognised as a finance cost over the license fee payment period, with the cost being amortised from the time the Company is ready to provide commercial service.

Following the initial recognition, intangible assets and cost of spectrum license are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets and cost of spectrum license 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 | 3, 5, 10 | years or contract period |
| Other copyright | 3, 5, 10 | 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.

5.8 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.

5.9 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.

5.10 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

5.11 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.

5.12 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.

5.13 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.

5.14 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.

6. 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.

Impairment of investments

The Company treats other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

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.

7. 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.

(Unit: Million Baht)

| | Consolidated financial statements | | Transfer Pricing Policy |
|--------------------------------------------|-----------------------------------|------|----------------------------------|
| | 2015 | 2014 | |
| <u>Transactions with related companies</u> | | | |
| Sales and service income | 28 | 44 | Contract price or as agreed upon |
| Other income | 1 | 1 | Contract price |
| Cost of sales and services | 2 | - | Contract price or as agreed upon |
| Promotional expenses | 2 | 1 | Contract price or as agreed upon |
| Rental and service expenses | 73 | 65 | Contract price or as agreed upon |
| Other expenses | 20 | 22 | Contract price or as agreed upon |

(Unit: Million Baht)

| | Separate financial statements | | Transfer Pricing Policy |
|---------------------------------------------------------|-------------------------------|------|----------------------------------------------------------|
| | 2015 | 2014 | |
| <u>Transactions with subsidiaries</u> | | | |
| (eliminated from the consolidated financial statements) | | | |
| Sales and service income | 7 | 5 | Contract price or as agreed upon |
| Dividend income | 236 | 331 | According to the resolution of the subsidiaries' meeting |
| Interest income | 65 | 29 | 3% per annum |
| Other income | 50 | 48 | Contract price |
| Service revenue sharing | 472 | 467 | Contract price or as agreed upon |
| Promotional expenses | 8 | 11 | Contract price or as agreed upon |
| Other expenses | 14 | 10 | Contract price or as agreed upon |
| <u>Transactions with related companies</u> | | | |
| Sales and service income | 13 | 17 | Contract price or as agreed upon |
| Promotional expenses | 2 | - | Contract price or as agreed upon |
| Rental and service expenses | 48 | 46 | Contract price or as agreed upon |
| Other expenses | 19 | 20 | Contract price or as agreed upon |

As at 31 December 2015 and 2014, 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 | |
| | 2015 | 2014 | 2015 | 2014 |
| <u>Trade receivables - related parties (Note 9)</u> | | | | |
| Subsidiaries | - | - | 123 | 10 |
| (eliminated from the consolidated financial statements) | | | | |
| Related companies | 4 | 15 | 2 | 8 |
| Total trade receivables - related parties | <u>4</u> | <u>15</u> | <u>125</u> | <u>18</u> |
| <u>Other receivables - related parties (Note 9)</u> | | | | |
| Subsidiaries | - | - | 231 | 139 |
| Total other receivables - related parties | <u>-</u> | <u>-</u> | <u>231</u> | <u>139</u> |
| <u>Dividend receivables - related parties (Note 9)</u> | | | | |
| Subsidiaries | - | - | 112 | 92 |
| (eliminated from the consolidated financial statements) | | | | |
| Total dividend receivables - related parties | <u>-</u> | <u>-</u> | <u>112</u> | <u>92</u> |
| <u>Deposits and retentions - related parties</u> | | | | |
| Related companies | 7 | 7 | 6 | 6 |
| Total deposits and retentions - related parties | <u>7</u> | <u>7</u> | <u>6</u> | <u>6</u> |
| <u>Trade payables - related parties (Note 16)</u> | | | | |
| Subsidiaries | - | - | 169 | 78 |
| (eliminated from the consolidated financial statements) | | | | |
| Related companies | 1 | - | - | - |
| Total trade payables - related parties | <u>1</u> | <u>-</u> | <u>169</u> | <u>78</u> |
| <u>Other payables - related parties (Note 16)</u> | | | | |
| Subsidiaries | - | - | 3 | 14 |
| (eliminated from the consolidated financial statements) | | | | |
| Related companies | 23 | 15 | 17 | 9 |
| Total other payables - related parties | <u>23</u> | <u>15</u> | <u>20</u> | <u>23</u> |

Short-term loans to subsidiaries

As at 31 December 2015 and 2014, the balances of short-term loans to subsidiaries and the movements were as follows:

(Unit: Million Baht)

| | Separate financial statements | | | |
|-----------------------------------|-------------------------------|-----------------|----------|-------|
| | 2014 | During the year | | 2015 |
| | | Increase | Decrease | |
| Mono Generation Co., Ltd. | 610 | 160 | - | 770 |
| Mono Travel Co., Ltd. | 18 | 5 | - | 23 |
| Mono Production Co., Ltd. | 755 | 711 | - | 1,466 |
| Mono Entertainment Co., Ltd. | 45 | 17 | - | 62 |
| PT Mono Technology Indonesia | 11 | 1 | - | 12 |
| Mono Technology Korea Corporation | 46 | 71 | (11) | 106 |
| Mono Technology Vietnam Co., Ltd. | 12 | 4 | (5) | 11 |
| Mono Radio Co., Ltd. | - | 49 | - | 49 |
| Mono Radio Broadcast Co., Ltd. | - | 5 | - | 5 |
| | 1,497 | 1,023 | (16) | 2,504 |
| Allowance for doubtful accounts | - | (118) | - | (118) |
| Total | 1,497 | 905 | (16) | 2,386 |

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

| | Consolidated | | Separate | |
|------------------------------|----------------------|------|----------------------|------|
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Short-term employee benefits | 44 | 44 | 27 | 26 |
| Post-employment benefits | 1 | 2 | 1 | 1 |
| Total | 45 | 46 | 28 | 27 |

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties as described in Note 31.2 a) to the financial statements.

8. Cash and cash equivalents

| | (Unit: Million Baht) | | | |
|-------------------|----------------------|------------|----------------------|------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Bank deposits | 194 | 389 | 26 | 238 |
| Bills of exchange | - | 209 | - | 209 |
| Total | 194 | 598 | 26 | 447 |

9. Trade and other receivables

| | (Unit: Million Baht) | | | |
|-------------------------------------------------|----------------------|------------|----------------------|------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Trade receivables - related parties (Note 7) | 4 | 15 | 125 | 18 |
| Trade receivables - unrelated parties | 223 | 270 | 114 | 156 |
| Accrued revenue | 188 | 210 | 135 | 173 |
| Dividend receivables - related parties (Note 7) | - | - | 112 | 92 |
| Other receivables - related parties (Note 7) | - | - | 231 | 139 |
| Other receivables - unrelated parties | 147 | 91 | 2 | 11 |
| Total | 562 | 586 | 719 | 589 |
| Less: Allowance for doubtful accounts | (8) | (8) | (4) | (4) |
| Trade and other receivables - net | 554 | 578 | 715 | 585 |

The outstanding balances of trade receivables as at 31 December 2015 and 2014, aged on the basis of due dates, are summarised below.

| Age of receivables | (Unit: Million Baht) | | | |
|---------------------------------------------------|----------------------|-----------|----------------------|-----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| <u>Trade receivables - related parties</u> | | | | |
| Not yet due | 3 | 12 | 112 | 10 |
| Past due | | | | |
| Up to 3 months | 1 | 2 | 3 | 2 |
| Longer than 3 - 6 months | - | - | 1 | - |
| Longer than 6 - 12 months | - | - | 2 | 1 |
| Longer than 12 months | - | 1 | 7 | 5 |
| Total trade receivables - related parties | 4 | 15 | 125 | 18 |

| Age of receivables | (Unit: Million Baht) | | | |
|-----------------------------------------------------|----------------------|------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Not yet due | 144 | 207 | 75 | 140 |
| Past due | | | | |
| Up to 3 months | 78 | 46 | 35 | 11 |
| Longer than 3 - 6 months | 7 | 11 | - | 1 |
| Longer than 6 - 12 months | 5 | 10 | - | - |
| Longer than 12 months | 13 | 15 | 4 | 4 |
| | 247 | 289 | 114 | 156 |
| Less: Allowance for sales return | (24) | (19) | - | - |
| | 223 | 270 | 114 | 156 |
| Less: Allowance for doubtful accounts | (8) | (8) | (4) | (4) |
| Total trade receivables - unrelated parties, net | 215 | 262 | 110 | 152 |
| Total trade receivables - net | 219 | 277 | 235 | 170 |

10. Inventories

| | (Unit: Million Baht) | | | | | |
|-----------------|-----------------------------------|------|--------------------------|-----|-----------------|------|
| | Consolidated financial statements | | | | | |
| | Cost | | Reduction of cost to net | | Inventories-net | |
| | 2015 | 2014 | realisable value | | 2015 | 2014 |
| | | 2015 | 2014 | | | |
| Finished goods | 15 | 11 | (7) | (6) | 8 | 5 |
| Work in process | 2 | 3 | - | - | 2 | 3 |
| Total | 17 | 14 | (7) | (6) | 10 | 8 |

11. Investments in subsidiaries

(Unit: Million Baht)

| Company's name | Separate financial statements | | | | | |
|----------------------------------------------|-------------------------------|------|------|------|-----------------------------------|------|
| | Paid-up capital | | Cost | | Dividend received during the year | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| 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 | 236 | 331 |
| Mono Production Co., Ltd. | 320 | 320 | 320 | 320 | - | - |
| Mono Entertainment Co., Ltd. | 38 | 38 | 55 | 55 | - | - |
| Mono Radio Co., Ltd. | 1 | - | 1 | - | - | - |
| Mono Radio Broadcast Co., Ltd. | - | - | - | - | - | - |
| Mono Talent Studio Co.,Ltd | 5 | - | 5 | - | - | - |
| PT Mono Technology Indonesia | 4 | 4 | 4 | 4 | - | - |
| Mono Technology Korea Corporation | 18 | 18 | 18 | 18 | - | - |
| Mono Technology Hong Kong Ltd. | 107 | 107 | 107 | 107 | - | - |
| Mono Technology Vietnam Co., Ltd. | 10 | 3 | 10 | 3 | - | - |
| | | | 589 | 576 | 236 | 331 |
| Less: Allowance for impairment of investment | | | (22) | - | | |
| Total investments in subsidiaries | | | 567 | 576 | | |

On 25 February 2015, a meeting of the Company's Board of Directors approved to acquire all of the additional ordinary shares of Mono Technology Vietnam Co., Ltd, amounting to Baht 7 million. The Company's shareholding in these subsidiaries remained unchanged.

In July 2015, the Company invested in all ordinary shares of Mono Talent Studio Co., Ltd., amounting to Baht 5 million (100% paid-up share capital).

As at 31 December 2015, the net book value of subsidiaries was lower than the costs of investment, by Baht 415 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.

12. 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 2014 | - | 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 |
| Additions | - | 3 | 20 | 36 | 1 | 223 | 283 |
| Disposals/write off | - | - | - | - | (1) | - | (1) |
| 31 December 2015 | 244 | 73 | 159 | 253 | 25 | 227 | 981 |
| Accumulated depreciation: | | | | | | | |
| 1 January 2014 | - | 11 | 31 | 89 | 9 | - | 140 |
| Depreciation for the year | - | 6 | 18 | 29 | 3 | - | 56 |
| Depreciation on disposals/write off | - | - | (1) | - | - | - | (1) |
| 31 December 2014 | - | 17 | 48 | 118 | 12 | - | 195 |
| Depreciation for the year | - | 7 | 27 | 34 | 2 | - | 70 |
| Depreciation on disposals/write off | - | - | - | - | (1) | - | (1) |
| 31 December 2015 | - | 24 | 75 | 152 | 13 | - | 264 |
| Net book value: | | | | | | | |
| 31 December 2014 | 244 | 53 | 91 | 99 | 13 | 4 | 504 |
| 31 December 2015 | 244 | 49 | 84 | 101 | 12 | 227 | 717 |
| Depreciation for the year | | | | | | | |
| 2014 (Baht 38 million included in cost of services, and the balance in administrative expenses) | | | | | | | 56 |
| 2015 (Baht 52 million included in cost of services, and the balance in administrative expenses) | | | | | | | 70 |

(Unit: Million Baht)

| Separate financial statements | | | | | | |
|-------------------------------------------------------------------------------------------------|-----------|------------------------------------------------|---------------------------|-------------------|------------------------------|-------|
| | Leasehold | Furniture, fixtures and office equipment | Computer and equipment | Motor vehicles | Assets under installation | Total |
| Cost: | | | | | | |
| 1 January 2014 | 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 |
| Additions | - | 2 | 18 | - | - | 20 |
| 31 December 2015 | 36 | 28 | 122 | 7 | - | 193 |
| Accumulated depreciation: | | | | | | |
| 1 January 2014 | 7 | 10 | 59 | 2 | - | 78 |
| Depreciation for the year | 4 | 5 | 12 | 1 | - | 22 |
| 31 December 2014 | 11 | 15 | 71 | 3 | - | 100 |
| Depreciation for the year | 3 | 5 | 15 | 1 | - | 24 |
| 31 December 2015 | 14 | 20 | 86 | 4 | - | 124 |
| Net book value: | | | | | | |
| 31 December 2014 | 25 | 11 | 33 | 4 | - | 73 |
| 31 December 2015 | 22 | 8 | 36 | 3 | - | 69 |
| Depreciation for the year | | | | | | |
| 2014 (Baht 11 million included in cost of services, and the balance in administrative expenses) | | | | | | 22 |
| 2015 (Baht 11 million included in cost of services, and the balance in administrative expenses) | | | | | | 24 |

As at 31 December 2015, 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 99 million (2014: Baht 73 million) and of the Company only amounting to Baht 58 million (2014: Baht 39 million).

As at 31 December 2015, the Company and its subsidiaries had vehicles and equipment with net book values Baht 32 million (2014: Baht 26 million) and of the Company only amounting to Baht 8 million (2014: Baht 4 million) acquired under finance lease agreements.

13. 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 2014 | 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 |
| Additions | 1 | 27 | 10 | 2 | 942 | 982 |
| Disposals/write off | - | - | (15) | (12) | (7) | (34) |
| Transfer in (out) | - | 886 | 17 | 18 | (921) | - |
| 31 December 2015 | 84 | 1,630 | 123 | 50 | 483 | 2,370 |
| Accumulated amortisation: | | | | | | |
| 1 January 2014 | 20 | 25 | 1 | 8 | - | 54 |
| Amortisation for the year | 4 | 126 | 11 | 4 | - | 145 |
| 31 December 2014 | 24 | 151 | 12 | 12 | - | 199 |
| Amortisation for the year | 5 | 420 | 22 | 9 | - | 456 |
| Amortisation on disposals/write off | - | - | (8) | (4) | - | (12) |
| 31 December 2015 | 29 | 571 | 26 | 17 | - | 643 |
| Allowance for impairment loss: | | | | | | |
| 1 January 2014 | 1 | - | - | - | - | 1 |
| 31 December 2014 | 1 | - | - | - | - | 1 |
| Increase during the year | - | - | - | - | 3 | 3 |
| 31 December 2015 | 1 | - | - | - | 3 | 4 |
| Net book value: | | | | | | |
| 31 December 2014 | 58 | 566 | 99 | 30 | 469 | 1,222 |
| 31 December 2015 | 54 | 1,059 | 97 | 33 | 480 | 1,723 |
| Amortisation for the year | | | | | | |
| 2014 (Baht 141 million included in cost of services, and the balance in administrative expenses) | | | | | | 145 |
| 2015 (Baht 455 million included in cost of services, and the balance in administrative expenses) | | | | | | 456 |

(Unit: Million Baht)

Separate financial statements

| | Website copyright | Films, music and video copyright | Program computer | Work in process | Total |
|------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------|---------------------|--------------------|-------|
| Cost: | | | | | |
| 1 January 2014 | 11 | 9 | 3 | 7 | 30 |
| Additions | - | - | - | 4 | 4 |
| Transfer in (out) | - | - | 1 | (1) | - |
| 31 December 2014 | 11 | 9 | 4 | 10 | 34 |
| Additions | - | - | - | 4 | 4 |
| 31 December 2015 | 11 | 9 | 4 | 14 | 38 |
| Accumulated amortisation: | | | | | |
| 1 January 2014 | 4 | 3 | 2 | - | 9 |
| Amortisation for the year | - | 2 | - | - | 2 |
| 31 December 2014 | 4 | 5 | 2 | - | 11 |
| Amortisation for the year | - | 2 | - | - | 2 |
| 31 December 2015 | 4 | 7 | 2 | - | 13 |
| Allowance for diminution in value: | | | | | |
| 31 December 2014 | 1 | - | - | - | 1 |
| 31 December 2015 | 1 | - | - | - | 1 |
| Net book value: | | | | | |
| 31 December 2014 | 6 | 4 | 2 | 10 | 22 |
| 31 December 2015 | 6 | 2 | 2 | 14 | 24 |
| Amortisation for the year | | | | | |
| 2014 (Baht 2 million included in cost of services, and the balance in administrative expenses) | | | | | 2 |
| 2015 (Baht 2 million included in cost of services, and the balance in administrative expenses) | | | | | 2 |

14. Cost of spectrum license

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). In the current year Broadcast paid Baht 301 million for the cost of spectrum license (2014: Baht 339 million).

As at 31 December 2015, Broadcast had the cost spectrum license payable remaining bid price of Baht 1,572 million.

During the year, the amortization of the cost of spectrum license amounting to Baht 129 million.(2014: Baht 89 million).

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.

15. Short-term loans from financial institutions

Short-term loan from financial institutions of the Company and its subsidiaries, on which interest is charged at a rate close to the Minimum Loan Rate, are secured by the company and its subsidiaries.

16. Trade and other payables

(Unit: Million Baht)

| | Consolidated | | Separate | |
|-------------------------------------------|----------------------|------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Trade payables - related parties (Note 7) | 1 | - | 169 | 78 |
| Trade payables - unrelated parties | 109 | 172 | 51 | 81 |
| Other payables - related parties (Note 7) | 23 | 15 | 20 | 23 |
| Other payables - unrelated parties | 81 | 56 | 14 | 12 |
| Accrued expenses | 95 | 49 | 35 | 3 |
| Payables for equipment | 184 | 75 | - | 5 |
| Total trade and other payables | <u>493</u> | <u>367</u> | <u>289</u> | <u>202</u> |

17. 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 2015, the long-term credit facility of Broadcast which has not yet been drawn down amounted to Baht 625 million (31 December 2014: Baht 947 million).

18. Cost of spectrum license payable

(Unit: Million Baht)

| | Consolidated | |
|-----------------------------------------------------------|----------------------|--------------|
| | financial statements | |
| | 2015 | 2014 |
| Cost of spectrum license payable | 1,572 | 1,873 |
| Less: Deferred interest expenses | (164) | (254) |
| Total | <u>1,408</u> | <u>1,619</u> |
| Less: Portion due within one year | (399) | (211) |
| Cost of spectrum license payable - net of current portion | <u>1,069</u> | <u>1,408</u> |

Cost of spectrum license payable was required to make payment on a yearly basis. This will be completed by the year 2019 (Note 14) .

19. Liabilities under finance lease agreements

(Unit: Million Baht)

| | Consolidated | | Separate | |
|--------------------------------------------|----------------------|------|----------------------|------|
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Liabilities under finance lease agreements | 20 | 20 | 8 | 1 |
| Less: Deferred interest expenses | (1) | (1) | (1) | - |
| Total | 19 | 19 | 7 | 1 |
| Less: Portion due within one year | (10) | (13) | (3) | (1) |
| Liabilities under finance lease agreements | | | | |
| - net of current portion | 9 | 6 | 4 | - |

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 2015 | | | | | |
|------------------------------------------------|-----------------------------------|-----------|-------|-------------------------------|-----------|-------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Less than 1 year | 1-5 years | Total | Less than 1 year | 1-5 years | Total |
| Future minimum lease payments | 11 | 9 | 20 | 3 | 5 | 8 |
| Deferred interest expenses | (1) | - | (1) | - | (1) | (1) |
| Present value of future minimum lease payments | 10 | 9 | 19 | 3 | 4 | 7 |

(Unit: Million Baht)

| | As at 31 December 2014 | | | | | |
|------------------------------------------------|-----------------------------------|-----------|-------|-------------------------------|-----------|-------|
| | Consolidated financial statements | | | Separate 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 |

20. 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 | |
| | 2015 | 2014 | 2015 | 2014 |
| Provision for long-term employee benefits at beginning of year | 22 | 24 | 10 | 14 |
| Included in profit or loss | | | | |
| (Included in administrative expenses): | | | | |
| Current service cost | 2 | 4 | 2 | 1 |
| Interest cost | 1 | 1 | - | - |
| Included in other comprehensive income: | | | | |
| Actuarial gain | - | (7) | - | (5) |
| Benefits paid during the year | (2) | - | - | - |
| Provision for long-term employee benefits at end of year | 23 | 22 | 12 | 10 |

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit was 18 years (Separate financial statements: 18 years) (2014: 18 years, separate financial statements: 18 years).

Significant actuarial assumptions are summarised below:

| | 2015 | 2014 |
|-----------------------------|---------------|---------------|
| | (% per annum) | (% per annum) |
| Discount rate | 4% | 4% |
| Future salary increase rate | 5% | 5% |

The result of sensitivity analysis for significant assumptions that affect the increasing (decreasing) in present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

| | (Unit: Million Baht) | |
|---------------------------------|-----------------------------|-----------------------------|
| | Consolidated | Separate |
| | <u>financial statements</u> | <u>financial statements</u> |
| Discount rate | | |
| Increase 50 basis point (4.50%) | (3) | (1) |
| Decrease 50 basis point (3.50%) | 1 | 1 |
| Salary increase rate | | |
| Increase 100 basis point (6%) | 4 | 2 |
| Decrease 100 basis point (4%) | (5) | (3) |

21. Share capital

On 12 September 2014, the Extraordinary General Meeting of the Company's shareholders passed a solution 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 29 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 22 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).

In March 2015, the warrant holders exercised their rights to purchase 814,379 the Company's ordinary shares at a price of Baht 2.5 per share, a total of Baht 2.0 million, which the Company registered the increase in its share capital to Baht 308,093,553.7 (3,080,935,537 ordinary shares of Baht 0.1 each) with the Ministry of Commerce on 8 April 2015.

On 23 April 2015, the Annual General Meeting of the shareholders of the Company passed the following significant resolutions:

- a) Decrease its registered share capital from Baht 462,000,000 (4,620,000,000 ordinary shares of Baht 0.1 each) to Baht 461,999,997.50 (4,619,999,975 ordinary shares of Baht 0.1 each) by cancellation of 25 unissued ordinary shares with a par value of Baht 0.1 each.
- b) Increase its registered share capital from Baht 461,999,997.50 (4,619,999,975 ordinary shares of Baht 0.1 each) to Baht 492,799,997.50 (4,927,999,975 ordinary shares of Baht 0.1 each) by issuing 308,000,000 ordinary shares with a par value of Baht 0.1 each.

The Company registered the decrease and increase in its registered capital with the Ministry of Commerce on 6 and 7 May 2015, respectively.

In September 2015, the warrant holders exercised their right to purchase 20,000,000 the Company's ordinary shares at a price of Baht 2.5 per share, a total of Baht 50 million, which the Company registered the increase in its share capital to Baht 310,093,553.7 (3,100,935,537 ordinary shares of Baht 0.1 each) with the Ministry of Commerce on 5 October 2015.

22. 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.

As at 31 December 2015, 1,479,067,065 warrants remained unexercised.

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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.

24. Expenses by nature

Significant expenses classified by nature are as follows:

| | (Unit: Million Baht) | | | |
|------------------------------------------------|----------------------|------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| | (Restated) | | | |
| Salaries and wages and other employee benefits | 453 | 381 | 157 | 144 |
| Cost of Mobile Value Added Services | 269 | 289 | 685 | 675 |
| Depreciation and amortisation | 526 | 201 | 35 | 25 |
| Advertising and sales promotion expenses | 219 | 172 | 45 | 42 |
| Utilities expenses | 113 | 105 | 79 | 73 |
| Amortisation cost of spectrum license | 154 | 89 | - | - |
| Cost of sale | 65 | 68 | - | - |
| Cost of production | 53 | 28 | - | - |

25. Income tax

Income tax for the years ended 31 December 2015 and 2014 are made up as follows:

| | (Unit: Million Baht) | | | |
|----------------------------------------------------------------------------|----------------------|-------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Income tax charge | 13 | 56 | 12 | 56 |
| Deferred tax relating to origination and reversal of temporary differences | (67) | (121) | (1) | - |
| Income tax expense reported in the statement of comprehensive income | (54) | (65) | 11 | 56 |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

| | (Unit: Million Baht) | | | |
|-------------------------------------------------------|----------------------|------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Actuarial gains | - | 1 | - | 1 |
| Income tax reported in the other comprehensive income | - | 1 | - | 1 |

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

| | (Unit: Million Baht) | | | |
|----------------------------------------------------------------------------------------------------------------|----------------------|------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Accounting profit (loss) before tax | (540) | (77) | 150 | 608 |
| Income tax rate | 20% | 20% | 20% | 20% |
| Accounting profit (loss) before tax multiplied by income tax rate | (108) | (15) | 30 | 122 |
| Effects of reversal of temporary differences recognised in the past | 9 | - | - | - |
| Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit: | | | | |
| Promotional privileges (Note 26) | (47) | (66) | - | - |
| Dividend income from subsidiaries | - | - | (47) | (66) |
| Tax loss for the year which unrecognised to deferred tax asset | 86 | 10 | - | - |
| Impairment loss on investment in a subsidiaries | - | - | 4 | - |
| Impairment loss on short-term loans to subsidiaries | - | - | 24 | - |
| Others | 6 | 6 | - | - |
| Income tax reported in the statement of comprehensive income | (54) | (65) | 11 | 56 |

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 2015 | 31 December 2014 | 2015 | 2014 |
| Deferred tax assets (liabilities) | | | | |
| Allowance for doubtful accounts and allowance for sale return | 6 | 5 | (1) | 1 |
| Intangible assets (Difference in amortisation) | (12) | (8) | 4 | - |
| Provision for long-term employee benefits | 5 | 4 | (1) | - |
| Unused tax loss | 202 | 133 | (69) | (121) |
| Others | 2 | 2 | - | (1) |
| Deferred tax relating to origination and reversal of temporary differences | | | (67) | (121) |
| Deferred tax assets - net | 203 | 136 | | |
| Presented as follows: | | | | |
| Deferred tax asset | 211 | 142 | | |
| Deferred tax liabilities | (8) | (6) | | |
| Total | 203 | 136 | | |

(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 2015 | 31 December 2014 | 2015 | 2014 |
| Deferred tax assets (liabilities) | | | | |
| Allowance for doubtful accounts | 1 | 1 | - | - |
| Intangible assets (Difference in amortization) | (1) | (1) | - | - |
| Provision for long-term employee benefits | 2 | 2 | - | - |
| Others | - | (1) | (1) | - |
| Deferred tax relating to origination and reversal of temporary differences | | | (1) | - |
| Deferred tax assets - net | 2 | 1 | | |

As at 31 December 2015 the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 429 million (2014: Baht 49 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.

26. 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 2015, MIS had revenues from the promoted operations amounting to Baht 305 million (2014: Baht 359 million).

27. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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.

Diluted earnings (loss) per share is calculated by dividing profit (loss) 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 (loss) per share:

| Consolidated financial statements | | | | | |
|-----------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------|---------------------|-----------------------|-------------|
| Loss for the year | | Weighted average number of ordinary shares | | Earnings per share | |
| <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| (Million Baht) | (Million Baht) | (Million shares) | (Million shares) | (Baht) | (Baht) |
| Basic loss per share | | | | | |
| Loss attributable to equity holders of the parent | | | | | |
| (487) | (12) | 3,086 | 3,080 | (0.158) | (0.004) |
| Effect of dilutive potential ordinary shares | | | | | |
| Warrants offered to existing shareholders | | | | | |
| - | - | 318 | 109 | | |
| Diluted loss per share | | | | | |
| Loss attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares | | | | | |
| <u>(487)</u> | <u>(12)</u> | <u>3,404</u> | <u>3,189</u> | Anti-dilutive | (0.004) |
| Separate financial statements | | | | | |
| Profit for the year | | Weighted average number of ordinary shares | | Earnings per share | |
| <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| (Million Baht) | (Million Baht) | (Million shares) | (Million shares) | (Baht) | (Baht) |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the parent | | | | | |
| 140 | 552 | 3,086 | 3,080 | 0.045 | 0.179 |
| Effect of dilutive potential ordinary shares | | | | | |
| Warrants offered to existing shareholders | | | | | |
| - | - | 318 | 109 | | |
| Diluted earnings per share | | | | | |
| Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares | | | | | |
| <u>140</u> | <u>552</u> | <u>3,404</u> | <u>3,189</u> | 0.041 | 0.173 |

28. 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 2015, the Company and its subsidiaries contributed Baht 13 million (2014: Baht 10 million) to the fund and of the Company only amounting to Baht 6 million (2014: Baht 5 million).

29. Dividends

| Dividends | Approved by | Total dividends (Unit: Million Baht) | Dividend per share (Unit: Baht per share) |
|---------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------|
| Annual dividends for 2014 | Annual General Meeting of the shareholders on 23 April 2015 | 61.6 | 0.02 |
| Total dividend payments for 2015 | | <u>61.6</u> | <u>0.02</u> |
| 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 2014 | | <u>341.6</u> | <u>0.24</u> |

30. 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 two major customers.

Below is revenues and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014.

(Unit: Thousand Baht)

| | Media and Content ⁽¹⁾ | | Entertainment ⁽²⁾ | | Elimination of inter-segment revenues | | Consolidation | |
|----------------------------------|----------------------------------|--------------|------------------------------|------------|---------------------------------------|-------------|---------------|--------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Sales and service income | | (Restated) | | | | | | (Restated) |
| Revenues from external customers | 1,683 | 1,413 | 210 | 114 | - | - | 1,893 | 1,527 |
| Inter-segment revenues | - | - | 28 | 34 | (28) | (34) | - | - |
| Total revenues | <u>1,683</u> | <u>1,413</u> | <u>238</u> | <u>148</u> | <u>(28)</u> | <u>(34)</u> | <u>1,893</u> | <u>1,527</u> |
| Segment income (loss) | 307 | 523 | (67) | (7) | | | 240 | 516 |
| Unallocated income and expenses: | | | | | | | | |
| Other income | | | | | | | 32 | 77 |
| Selling and servicing expenses | | | | | | | (230) | (182) |
| Administrative expenses | | | | | | | (450) | (407) |
| Finance cost | | | | | | | (133) | (81) |
| Income tax | | | | | | | 54 | 65 |
| Loss for the year | | | | | | | <u>(487)</u> | <u>(12)</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.

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2015, the Company and its subsidiaries had capital commitments of approximately Baht 417 million (2014: Baht 363 million), relating to the construction of building and purchase of movie rights.

31.2 Guarantees

- a) As at 31 December 2015, the Company and its subsidiaries had guaranteed credit facilities of the Company and its subsidiaries amounting to Baht 3,283 million (2014: Baht 3,947 million) and of the Company only amounting to Baht 3,244 Million (2014: Baht 3,907 million).
- b) As at 31 December 2015, the Company and its subsidiaries had outstanding bank guarantees of Baht 1,736 million (2014: Baht 2,147 million) and of the Company only amounting to Baht 5 million (2014: Baht 6 million) issued by banks on behalf of the Company and its subsidiaries in respect of performance bonds.

31.3 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 2015 and 2014, future minimum lease payments required under these non-cancellable operating lease and service contracts were as follows.

| | (Unit: Million Baht) | |
|-----------------------------|----------------------|------|
| | 2015 | 2014 |
| Payable: | | |
| in up to 1 year | 220 | 179 |
| in over 1 and up to 5 years | 316 | 343 |
| in over 5 years | 426 | 477 |

31.4 Litigation

In June 2015, the Company was sued by an unrelated company with the Central Intellectual Property and International Trade Court in a civil case and criminal case that the Company infringed the copyright to broadcast a live sports program, seeking compensation of Baht 34 million plus interest at a rate of 7.5% per annum on the principal until settlement is completed. The case is under consideration by the Central Intellectual Property and International Trade Court.

The management of the Company is confident that no significant losses will be incurred as a result of the lawsuit and therefore no provision has been made against the contingent liability in its account.

32. Financial instruments

32.1 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, short-term and long-term 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, short-term and long-term 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.

Foreign currency risk

The exposure of the Company and its subsidiary to foreign currency risk arise mainly from trading and services transactions that are denominated in foreign currencies. The Company and its subsidiary seek to reduce this risk by entering into forward exchange contracts when they considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities of the Company and its subsidiary denominated in foreign currencies which were unhedged are summarised below.

| Foreign currency | Consolidated financial statements | | | | | |
|------------------|-----------------------------------|-------------|-----------------------|-------------|------------------------------------|-------------|
| | Financial assets | | Financial liabilities | | Average exchange rate | |
| | as at 31 December | | as at 31 December | | as at 31 December | |
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | - | - | 1 | - | 36.0886 | 32.9630 |

| Foreign currency | Separate financial statements | | | | | |
|------------------|-------------------------------|-------------|-----------------------|-------------|------------------------------------|-------------|
| | Financial assets | | Financial liabilities | | Average exchange rate | |
| | as at 31 December | | as at 31 December | | as at 31 December | |
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 3 | 2 | - | - | 36.0886 | 32.9630 |
| Indonesia | 5,417 | 4,490 | - | - | 0.0026 | 0.0027 |

The subsidiaries' foreign exchange contracts outstanding are summarised below.

| As at 31 December 2015 | | | | |
|------------------------|---------------|------------------------------------|--|---------------|
| Foreign currency | Bought amount | Contractual exchange rate of | | Maturity date |
| | | bought amount | | |
| | (Million) | (Baht per 1 foreign currency unit) | | |
| US dollar | 2 | 36.105 - 36.195 | | 15 March 2016 |

32.2 Fair values of financial instruments

Since the majority of financial instruments of the Company and its subsidiaries are short-term in nature. Loans, liabilities under finance lease agreement and short-term and long-term borrowings carry interest at rate close to market rate. Their fair value is not expected to be materially different from the amounts presented in statement of financial position.

33. 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 2015, the Company and its subsidiaries' debt-to-equity ratio was 1.18:1 (2014: 0.85:1) and the Company's was 0.10:1 (2014: 0.07:1).

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2016.