

Mono Technology Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2017

Independent Auditor's Report

To the Shareholders of Mono Technology Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Mono Technology Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Mono Technology Public Company Limited for the same period.

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 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Group is principally engaged in both media and content businesses. As a result, the Group has a variety of revenues from sales of goods and rendering of services. The amount of the Group's revenue is significantly and directly affected by its operating performance, to which users of financial statements pay attention. I have therefore focused on the Group's revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and expanding the scope of the testing of the internal controls with respect to revenue recognition.
- On a sampling basis, examining supporting documents for actual sales and service transactions occurring during the year and near the end of the reporting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

Impairment of intangible assets and cost of spectrum license

As at 31 December 2017, intangible assets and cost of spectrum license totaled Baht 3,715 million, representing 65% of the Group's total assets, as described in Note 12 and 13 to the consolidated financial statements. Management's assessment was that there were indicators that these assets may be impaired. In determining the impairment loss, management had to exercise judgement with respect to the projections of future operating performance and plans for management of assets, and determination of an appropriate discount rate and key assumptions, which directly affect the amount of allowance for impairment loss on such assets.

I gained an understanding of and assessed the assumptions applied in preparing plans and cash flow projections, based on the understanding I gained of the process by which the figures were arrived at, comparison of the assumptions with external and internal sources of information and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for intangible assets and cost of spectrum license.

Impairment of investments in subsidiaries and loans to subsidiaries

As at 31 December 2017, the Company had investments in subsidiaries and loans to subsidiaries amounting to Baht 3,027 million and Baht 709 million, respectively, representing 66 percent and 16 percent of total assets, respectively, as described in Notes 9 and 6 to the consolidated financial statements. Management's assessment was that there were indicators of impairment of these investments and loans. In determining the impairment loss, management had to exercise judgement with respect to the projections of future operating performance and plans of the subsidiaries, and determination of an appropriate discount rate and key assumptions, which directly affect the amount of allowance for impairment loss on such investments and loans.

I gained an understanding of and assessed the assumptions applied in preparing plans and cash flow projections, based on the understanding I gained of the process by which the figures were arrived at, comparison of the assumptions with external and internal sources of information and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the subsidiaries and of the industry, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for investments in subsidiaries and loans to subsidiaries.

Deferred tax assets for unused tax losses

As at 31 December 2017, the Group had deferred tax assets for unused tax losses amounting to Baht 216 million, representing 4 percent of total assets. The Group has disclosed its accounting policy and details relating to deferred tax in Note 4 and Note 24, respectively, to the consolidated financial statements. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise taxable losses requires significant management judgement with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from both external and internal sources, with particular consideration given to information and assumptions that directly affect revenue growth and gross profit margin. Furthermore, I compared past profit projections with actual taxable profits to assess the exercise of management judgement in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits, especially in respect of long-term revenue growth. In addition, I reviewed the disclosures of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Group.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Krongkaew Limkittikul
Certified Public Accountant (Thailand) No. 5874

EY Office Limited
Bangkok: 21 February 2018

Mono Technology Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents		129,827,648	86,808,404	67,106,873	25,649,996
Current investments - bank deposits		232,693	229,563	2,979	2,939
Trade and other receivables	7	492,662,568	465,976,391	566,421,976	476,362,478
Inventories	8	10,496,526	8,829,228	-	-
Prepaid expenses		23,507,844	22,900,801	5,766,083	5,692,246
Other current assets		96,826,099	89,336,117	8,041,936	9,430,088
Total current assets		753,553,378	674,080,504	647,339,847	517,137,747
Non-current assets					
Restricted bank deposits	30.2	46,058,565	9,128,667	220,293	106,351
Investments in subsidiaries	9	-	-	3,026,825,626	2,956,825,986
Investment in a joint venture	10	46,832,501	51,226,023	-	-
Loans to subsidiaries	6	-	-	708,750,000	498,900,000
Property, plant and equipment	11	760,550,444	777,356,703	41,761,625	55,217,289
Intangible assets	12	2,258,095,254	1,951,972,846	70,981,549	126,718,918
Cost of spectrum license	13	1,456,793,326	1,585,572,586	-	-
Deferred tax assets	24	258,965,037	210,848,028	3,119,976	2,512,441
Other non-current assets		155,755,084	131,474,183	55,959,378	55,304,873
Total non-current assets		4,983,050,211	4,717,579,036	3,907,618,447	3,695,585,858
Total assets		5,736,603,589	5,391,659,540	4,554,958,294	4,212,723,605

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	14	120,000,000	135,000,000	-	15,000,000
Trade and other payables	15	319,038,196	295,054,561	179,570,197	197,722,055
Current portion of long-term liabilities					
Long-term loans from banks	16	81,892,729	54,893,750	-	-
Cost of spectrum license payable	17	206,176,617	360,566,258	-	-
Liabilities under finance lease agreements	18	6,599,924	6,043,515	1,405,954	3,244,571
Income tax payable		3,406,726	296,513	-	-
Other current liabilities		65,286,025	77,371,407	11,116,796	11,196,920
Total current liabilities		802,400,217	929,226,004	192,092,947	227,163,546
Non-current liabilities					
Long-term liabilities - net of current portion					
Long-term loans from banks	16	1,440,837,930	1,338,985,017	-	-
Cost of spectrum license payable	17	695,321,168	708,841,790	-	-
Liabilities under finance lease agreements	18	6,028,606	3,094,482	-	1,405,955
Provision for long-term employee benefits	19	43,792,432	36,210,278	19,243,927	16,615,939
Deferred tax liabilities	24	8,990,111	9,691,493	-	-
Total non-current liabilities		2,194,970,247	2,096,823,060	19,243,927	18,021,894
Total liabilities		2,997,370,464	3,026,049,064	211,336,874	245,185,440

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital	20				
Registered					
5,196,999,975 ordinary shares					
(2016: 4,984,999,975 ordinary shares)					
of Baht 0.1 each		<u>519,699,998</u>	<u>498,499,998</u>	<u>519,699,998</u>	<u>498,499,998</u>
Issued and fully paid-up					
3,390,740,224 ordinary shares					
(2016: 3,200,935,537 ordinary shares)					
of Baht 0.1 each		339,074,023	320,093,554	339,074,023	320,093,554
Premium on ordinary shares		3,440,898,002	2,935,691,191	3,440,898,002	2,935,691,191
Retained earnings					
Appropriated - statutory reserve	22	51,970,000	49,850,000	51,970,000	49,850,000
Unappropriated (deficit)		(941,578,833)	(795,591,899)	511,679,395	661,903,420
Other components of shareholders' equity		<u>(151,130,067)</u>	<u>(144,432,370)</u>	-	-
Total shareholders' equity		<u>2,739,233,125</u>	<u>2,365,610,476</u>	<u>4,343,621,420</u>	<u>3,967,538,165</u>
Total liabilities and shareholders' equity		<u>5,736,603,589</u>	<u>5,391,659,540</u>	<u>4,554,958,294</u>	<u>4,212,723,605</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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales and service income		2,528,674,011	2,076,756,211	804,304,719	968,888,871
Dividend income	9	-	-	158,993,673	232,391,285
Other income		47,037,539	35,947,941	85,439,475	94,574,782
Total revenues		2,575,711,550	2,112,704,152	1,048,737,867	1,295,854,938
Expenses					
Cost of sales and services		1,833,826,580	1,633,841,862	679,824,078	786,404,261
Selling and servicing expenses		139,390,512	107,572,475	33,765,157	21,355,789
Administrative expenses		448,340,683	417,921,961	223,626,143	200,305,077
Loss on impairment of investments in subsidiaries	9	-	-	43,000,000	9,887,000
Loss on impairment of investment in a joint venture		-	21,300,000	-	-
Loss on impairment of intangible assets	12	4,941,744	23,777,955	-	11,459,384
Doubtful debts		504,414	1,367,215	13,857,790	-
Total expenses		2,427,003,933	2,205,781,468	994,073,168	1,029,411,511
Profit (loss) before share of loss from investment in a joint venture, finance cost and income tax income (expenses)					
		148,707,617	(93,077,316)	54,664,699	266,443,427
Share of loss from investment in a joint venture	10	-	(1,810,826)	-	-
Profit (loss) before finance cost and income tax income (expenses)					
		148,707,617	(94,888,142)	54,664,699	266,443,427
Finance cost		(133,392,926)	(145,013,948)	(326,396)	(1,223,672)
Profit (loss) before income tax income (expenses)					
		15,314,691	(239,902,090)	54,338,303	265,219,755
Income tax income (expenses)	24	42,858,402	(9,650,668)	(402,301)	(5,735,548)
Profit (loss) for the year		58,173,093	(249,552,758)	53,936,002	259,484,207
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		(6,697,697)	924,761	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss	19	-	(7,158,687)	-	(3,059,458)
Less: Income tax effect	24	-	1,334,842	-	611,892
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(5,823,845)	-	(2,447,566)
Other comprehensive income for the year		(6,697,697)	(4,899,084)	-	(2,447,566)
Total comprehensive income for the year		51,475,396	(254,451,842)	53,936,002	257,036,641

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

Mono Technology Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Earnings per share	26				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>0.017</u>	<u>(0.079)</u>	<u>0.016</u>	<u>0.082</u>
Diluted earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>0.015</u>	<u>(0.079)</u>	<u>0.014</u>	<u>0.078</u>

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

Mono Technology Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2017

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit (loss) before tax	15,314,691	(239,902,090)	54,338,303	265,219,755
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	95,711,367	79,659,602	17,129,471	20,558,524
Amortisation	834,003,376	676,462,420	5,977,574	2,959,271
Amortisation of spectrum license cost	128,779,260	128,779,260	-	-
Doubtful debts	504,414	1,367,215	-	1,912,261
Doubtful debts - loans to subsidiaries (reversal)	-	-	13,857,790	(14,394,960)
Reduction of inventories to net realisable value (reversal)	(2,437,866)	(818,789)	-	-
Loss on impairment of investments in subsidiaries	-	-	43,000,000	9,887,000
Loss on impairment of investment in a joint venture	-	21,300,000	-	-
Dividend income	-	-	(158,993,673)	(232,391,285)
Share of loss from investment in a joint venture	-	1,810,826	-	-
(Gain) loss on disposals of equipment	29,076	1,344,376	(45,185)	(9,315)
Loss on impairment of intangible assets	4,941,744	23,777,955	-	11,459,384
Loss on write-off of intangible assets	-	3,561,308	-	294,808
Unrealised (gain) loss on exchange	(19,009)	79,919	-	(322,066)
Withholding tax written off	2,048,099	636,584	20,429	123,960
Provision for long-term employee benefits	8,148,576	5,606,406	2,643,150	1,634,148
Interest income	(1,732,630)	(644,929)	(21,542,408)	(31,230,633)
Interest expenses	<u>133,392,926</u>	<u>145,013,948</u>	<u>326,396</u>	<u>1,223,672</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	1,218,684,024	848,034,011	(43,288,153)	36,924,524
Operating assets (increase) decrease				
Trade and other receivables	(23,801,091)	(18,153,351)	(22,253,888)	194,448,037
Inventories	770,567	1,900,803	-	-
Prepaid expenses	(784,371)	13,585,214	(222,810)	12,156,897
Other current assets	1,651,513	33,562,175	(865,608)	(166,304)
Other non-current assets	214,431	3,007,408	(150,927)	517,167
Operating liabilities increase (decrease)				
Trade and other payables	33,991,664	(109,939,950)	(21,027,258)	(88,409,089)
Other current liabilities	<u>(15,475,038)</u>	<u>43,703,035</u>	<u>(734,994)</u>	<u>864,349</u>
Cash flows from (used in) operating activities	1,215,251,699	815,699,345	(88,543,638)	156,335,581
Cash paid for corporate income tax	(72,863,550)	(67,398,330)	(22,646,510)	(30,545,809)
Withholding tax refund received	<u>43,470,346</u>	<u>1,307,083</u>	<u>21,112,664</u>	-
Net cash flows from (used in) operating activities	<u>1,185,858,495</u>	<u>749,608,098</u>	<u>(90,077,484)</u>	<u>125,789,772</u>

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

Mono Technology Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Interest income	1,732,630	644,929	27,471,166	22,765,450
Increase in current investments - bank deposits	(3,130)	(6,163)	(40)	(2,939)
(Increase) decrease in loans to subsidiaries	-	-	(224,350,000)	1,880,139,023
(Increase) decrease in restricted bank deposits	(36,929,898)	(8,678,108)	(113,941)	2,996
Cash paid for purchases of investments in subsidiaries	-	-	(112,999,640)	(2,399,999,925)
Cash paid for purchase of investment in a joint venture	-	(74,336,849)	-	-
Dividend income	-	-	187,892,695	289,189,155
Acquisition and cash paid to settle payables from purchases of property, plant and equipment	(75,348,656)	(193,701,851)	(3,544,820)	(6,205,312)
Acquisition and cash paid to settle payables from purchases of intangible assets	(1,157,268,684)	(848,648,509)	(47,218,725)	(3,513,131)
Proceeds from sales of equipment	715,911	41,560	558,409	194,468
Cash paid for spectrum license	<u>(206,000,000)</u>	<u>(412,000,000)</u>	-	-
Net cash flows used in investing activities	<u>(1,473,101,827)</u>	<u>(1,536,684,991)</u>	<u>(172,304,896)</u>	<u>(217,430,215)</u>
Cash flows from financing activities				
Cash paid for interest expenses	(95,125,860)	(74,539,996)	(177,424)	(1,264,608)
Decrease in bank overdrafts and short-term loans from banks	(15,000,000)	-	(15,000,000)	-
Cash received from long-term loans from banks	128,851,891	668,418,767	-	-
Repayment of liabilities under finance lease agreements	(8,420,532)	(10,202,043)	(3,244,571)	(2,888,592)
Proceeds from increase in share capital	524,187,280	95,000,000	524,187,280	95,000,000
Dividend paid	<u>(201,926,028)</u>	<u>(4,014)</u>	<u>(201,926,028)</u>	<u>(3,834)</u>
Net cash flows from financing activities	<u>332,566,751</u>	<u>678,672,714</u>	<u>303,839,257</u>	<u>90,842,966</u>
Increase (decrease) in translation adjustments	<u>(2,304,175)</u>	<u>924,761</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>43,019,244</u>	<u>(107,479,418)</u>	<u>41,456,877</u>	<u>(797,477)</u>
Cash and cash equivalents at beginning of year	<u>86,808,404</u>	<u>194,287,822</u>	<u>25,649,996</u>	<u>26,447,473</u>
Cash and cash equivalents at end of year	<u>129,827,648</u>	<u>86,808,404</u>	<u>67,106,873</u>	<u>25,649,996</u>
	-	-	-	-
Supplemental disclosures of cash flow information				
Non-cash transactions				
Payable of acquisition of equipment	9,378,111	16,987,735	-	-
Payable of acquisition of intangible assets	83,114,733	95,315,889	5,000,000	-
Purchase of intangible assets settled with ordinary shares	-	101,500,000	-	101,500,000
Assets acquired under finance lease agreements	11,911,065	-	-	-
Settlement of loan to a subsidiary with assets	-	-	642,210	22,673,360

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 2017

(Unit: Baht)

	Consolidated financial statements							
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
Appropriated			Unappropriated (deficit)	Exchange differences on translation of financial statements in foreign currency	Differences on business combination under common control	Total other components of shareholders' equity		
Balance as at 1 January 2016	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
Loss for the year	-	-	-	(249,552,758)	-	-	-	(249,552,758)
Other comprehensive income for the year	-	-	-	(5,823,845)	924,761	-	924,761	(4,899,084)
Total comprehensive income for the year	-	-	-	(255,376,603)	924,761	-	924,761	(254,451,842)
Increase share capital (Note 20)	10,000,000	186,500,000	-	-	-	-	-	196,500,000
Transfer retained earnings to statutory reserve	-	-	570,000	(570,000)	-	-	-	-
Balance as at 31 December 2016	<u>320,093,554</u>	<u>2,935,691,191</u>	<u>49,850,000</u>	<u>(795,591,899)</u>	<u>7,932,797</u>	<u>(152,365,167)</u>	<u>(144,432,370)</u>	<u>2,365,610,476</u>
Balance as at 1 January 2017	320,093,554	2,935,691,191	49,850,000	(795,591,899)	7,932,797	(152,365,167)	(144,432,370)	2,365,610,476
Profit for the year	-	-	-	58,173,093	-	-	-	58,173,093
Other comprehensive income for the year	-	-	-	-	(6,697,697)	-	(6,697,697)	(6,697,697)
Total comprehensive income for the year	-	-	-	58,173,093	(6,697,697)	-	(6,697,697)	51,475,396
Increase share capital (Note 20)	18,980,469	505,206,811	-	-	-	-	-	524,187,280
Dividend paid (Note 28)	-	-	-	(202,040,027)	-	-	-	(202,040,027)
Transfer retained earnings to statutory reserve	-	-	2,120,000	(2,120,000)	-	-	-	-
Balance as at 31 December 2017	<u>339,074,023</u>	<u>3,440,898,002</u>	<u>51,970,000</u>	<u>(941,578,833)</u>	<u>1,235,100</u>	<u>(152,365,167)</u>	<u>(151,130,067)</u>	<u>2,739,233,125</u>

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 2017

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 1 January 2016	310,093,554	2,749,191,191	49,280,000	405,436,779	3,514,001,524
Profit for the year	-	-	-	259,484,207	259,484,207
Other comprehensive income for the year	-	-	-	(2,447,566)	(2,447,566)
Total comprehensive income for the year	-	-	-	257,036,641	257,036,641
Increase share capital (Note 20)	10,000,000	186,500,000	-	-	196,500,000
Transfer retained earnings to statutory reserve	-	-	570,000	(570,000)	-
Balance as at 31 December 2016	<u>320,093,554</u>	<u>2,935,691,191</u>	<u>49,850,000</u>	<u>661,903,420</u>	<u>3,967,538,165</u>
					-
Balance as at 1 January 2017	320,093,554	2,935,691,191	49,850,000	661,903,420	3,967,538,165
Profit for the year	-	-	-	53,936,002	53,936,002
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	53,936,002	53,936,002
Increase share capital (Note 20)	18,980,469	505,206,811	-	-	524,187,280
Dividend paid (Note 28)	-	-	-	(202,040,027)	(202,040,027)
Transfer retained earnings to statutory reserve	-	-	2,120,000	(2,120,000)	-
Balance as at 31 December 2017	<u>339,074,023</u>	<u>3,440,898,002</u>	<u>51,970,000</u>	<u>511,679,395</u>	<u>4,343,621,420</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 2017

1. General information

Mono Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Mr. Pete Bodharamik is the 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 Company and its subsidiaries are principally engaged in the following businesses:

- a) Media business, consisting of TV, radio, online and portable devices
- b) Content business, consisting of movie business, sports business, music business, entertainment business, games business, travel business and horoscope business

2. Basis of preparation

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 11 October 2016, 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 Mono Technology Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2017</u> (Percent)	<u>2016</u> (Percent)
<u>Held by the Company</u>				
Mono Generation Company Limited	Production, distribution and provision of entertainment content services, magazines and general books, together with motion pictures, music and other entertainment media	Thailand	100	100
Mono Travel Company Limited	Provision of hotel accommodation, tour package and air ticket services, together with production and provision of content services	Thailand	100	100
Mono Production Company Limited	Provision of location services, production of TV and other programming, together with provision of entertainment content services	Thailand	100	100
Mono Info Systems Company Limited	Production and provision of enterprise software and digital content	Thailand	100	100
Mono Music Company Limited	Production and distribution of entertainment content and provision of related services, including organisation of entertainment-related activities through all types of media	Thailand	100	100
Mono Radio Company Limited	Radio station and broadcasting business	Thailand	100	100
Mono Radio Broadcast Company Limited	Radio station and broadcasting business	Thailand	100	100
Mono Talent Studio Company Limited	Provision of actor and artist services and provision of entertainment content through all types of media	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2017</u> (Percent)	<u>2016</u> (Percent)
T Moment Company Limited	Production and distribution of motion pictures, together with provision of entertainment content services	Thailand	100	100
Mono Play Company Limited	Provision of a range of games software services for the purpose of online entertainment through mobile and website platforms	Thailand	100	-
Mono Astro Company Limited	Provision of horoscope services by fortune-tellers and astrologists through various channels	Thailand	100	-
PT Mono Technology Indonesia (1 percent held by Mono Generation Company Limited)	Provision of entertainment content through various channels (dissolved and currently in process of liquidation)	Indonesia	99	99
Mono Technology Vietnam Company Limited	Provision of entertainment content through various channels (dissolved and currently in process of liquidation)	Vietnam	100	100
Mono Technology Hong Kong Limited	Provision of entertainment content through various channels	Hong Kong	100	100
<u>Held by the subsidiaries</u>				
<u>A subsidiary held by Mono Generation Company Limited</u>				
Mono Film Company Limited	Production and distribution of motion pictures, television programs, together with provision of entertainment content services	Thailand	100	100
<u>Subsidiaries held by Mono Production Company Limited</u>				
Mono Sport Entertainment Company Limited	Organisation of sports events and all types of related activities, including management of sports teams and clubs	Thailand	100	100
Mono Broadcast Company Limited	Broadcasting and television business	Thailand	100	100

- 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 and a joint venture under the cost method.

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 Company’s and its subsidiaries’ financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

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

Where royalties from motion picture rights are charged at fixed amounts, the royalties cannot be refunded by the licensee and the licensor has no obligations subsequent to granting

the rights, the royalties are recognised as income in full when the licensee is entitled to exploit the rights under the terms of the agreement.

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

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

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

4.5 Investments

- a) Investment in a joint venture is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and a joint venture are accounted for in the separate financial statements using the cost method, net of allowance for impairment loss (if any).

4.6 Property, plant and equipment/Depreciation

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

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

	<u>Useful lives</u>
Building	40 years
Land improvement	20 years
Building and 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 or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets and cost of spectrum license/Amortisation

Intangible assets and cost of spectrum license are recognised at cost, with the cost of the spectrum license measured at the cash equivalent price, which is the present value of the installments payable. 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, and amortised from the time the Company is ready to provide commercial service.

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

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 the 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	Contract period
Cost of website	10 years
Films, music and video copyright	5, 10 years or contract period
Other copyright	3, 5, 10 years or contract period
Computer software	5, 10, 20 years or contract period

4.9 Related party transactions

Related parties comprise individuals or enterprises 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 or enterprises 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 Company's and its subsidiaries' operations.

4.10 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 useful life of the asset.

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are charged to profit or loss.

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment or intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit and loss.

4.13 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 their 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 the Company's and its subsidiaries' contributions 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.

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

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

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

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

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Impairment of investments

The Company and its subsidiaries treat 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.

Property, plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and 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.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related 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, its subsidiaries and those related parties.

(Unit: Million Baht)

	Separate		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with the subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	6	7	Contract price or as agreed upon
Dividend income	-	-	159	232	Announced rate
Interest income	-	-	20	31	3 percent per annum
Other income	-	-	52	52	Contract price
Service revenue sharing payments	-	-	422	464	Contract price or as agreed upon
Sales promotion expenses	-	-	10	6	Contract price or as agreed upon
Other expenses	-	-	-	2	Contract price or as agreed upon
Sales of intangible assets	-	-	102	-	As agreed upon
<u>Transactions with related companies</u>					
Sales and service income	22	29	7	14	Contract price or as agreed upon
Cost of sales and services	14	14	6	10	Contract price or as agreed upon
Rental and service expenses	58	61	38	40	Contract price or as agreed upon
Other expenses	14	15	13	14	Contract price or as agreed upon

The balances of the accounts between the Company, its subsidiaries and those related parties were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties (Note 7)</u>				
Subsidiaries	-	-	10	6
Related companies (related by common shareholders and directors)	2	4	1	2
Total trade receivables - related parties	<u>2</u>	<u>4</u>	<u>11</u>	<u>8</u>
<u>Other receivables - related parties (Note 7)</u>				
Subsidiaries	-	-	351	194
<u>Dividends receivable - related party (Note 7)</u>				
Subsidiary	-	-	26	55
<u>Deposits and retentions - related parties</u>				
Related companies (related by common shareholders and directors)	7	7	6	6
<u>Trade payables - related parties (Note 15)</u>				
Subsidiaries	-	-	74	117
Related companies (related by common shareholders and directors)	11	-	-	-
Total trade payables - related parties	<u>11</u>	<u>-</u>	<u>74</u>	<u>117</u>
<u>Other payables - related parties (Note 15)</u>				
Subsidiaries	-	-	18	5
Related companies (related by common shareholders and directors)	19	23	14	18
Total other payables - related parties	<u>19</u>	<u>23</u>	<u>32</u>	<u>23</u>

Loans to subsidiaries

The balances of loans between the Company and its subsidiaries and the movements were as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December	during the	during the	31 December
	2016	year	year	2017
Mono Generation Company Limited	10	-	(10)	-
Mono Travel Company Limited	9	-	(3)	6
Mono Production Company Limited	105	17	-	122
Mono Music Company Limited	62	-	(62)	-
PT Mono Technology Indonesia	12	-	-	12
Mono Technology Vietnam Company Limited	11	-	-	11
Mono Radio Company Limited	81	22	-	103
Mono Radio Broadcast Company Limited	5	-	-	5
Mono Talent Studio Company Limited	9	10	-	19
Mono Broadcast Company Limited	190	190	-	380
Mono Sport Entertainment Company Limited	28	61	-	89
Total	522	300	(75)	747
Less: Allowance for doubtful accounts	(23)	(15)	-	(38)
Total loans to subsidiaries - net	499	285	(75)	709

The balances represent loans to subsidiaries in the form of promissory notes, which are unsecured and carry interest at a rate of 3 percent per annum. The loans are repayable on demand. However, the Company has no intention to call for loan repayment from the subsidiaries within one year; therefore, the Company classifies these loans as non-current assets.

Directors and management's benefits

During the years, 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	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	48	45	29	28
Post-employment benefits	1	1	1	1
Total	<u>49</u>	<u>46</u>	<u>30</u>	<u>29</u>

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 30.2 a) to the consolidated financial statements.

7. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade receivables - related parties (Note 6)	2	4	11	8
Trade receivables - unrelated parties	161	164	55	87
Accrued revenues	305	251	123	131
Dividends receivable - related party (Note 6)	-	-	26	55
Other receivables - related parties (Note 6)	-	-	351	194
Other receivables - unrelated parties	31	49	-	1
Total	<u>499</u>	<u>468</u>	<u>566</u>	<u>476</u>
Less: Allowance for doubtful accounts	<u>(6)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Trade and other receivables - net	<u>493</u>	<u>466</u>	<u>566</u>	<u>476</u>

The balances of trade receivables, aged on the basis of due dates, are summarised below.

Age of receivables	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u>				
Not yet due	2	4	2	3
Past due				
Up to 3 months	-	-	1	1
3 - 6 months	-	-	2	1
6 - 12 months	-	-	2	1
Over 12 months	-	-	4	2
Total trade receivables - related parties	<u>2</u>	<u>4</u>	<u>11</u>	<u>8</u>
<u>Trade receivables - unrelated parties</u>				
Not yet due	121	81	53	44
Past due				
Up to 3 months	35	87	2	43
3 - 6 months	2	7	-	-
6 - 12 months	-	6	-	-
Over 12 months	26	10	-	-
Total	<u>184</u>	<u>191</u>	<u>55</u>	<u>87</u>
Less: Allowance for sales return	<u>(23)</u>	<u>(27)</u>	<u>-</u>	<u>-</u>
	<u>161</u>	<u>164</u>	<u>55</u>	<u>87</u>
Less: Allowance for doubtful accounts	<u>(6)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties - net	<u>155</u>	<u>162</u>	<u>55</u>	<u>87</u>
Total trade receivables - net	<u>157</u>	<u>166</u>	<u>66</u>	<u>95</u>

8. Inventories

(Unit: Million Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	13	14	(4)	(6)	9	8
Work in process	1	1	-	-	1	1
Total	14	15	(4)	(6)	10	9

During the current year, the subsidiary reversed the write-down of cost of inventories by Baht 2 million (2016: Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

9. Investments in subsidiaries

(Unit: Million Baht)

Separate financial statements						
Company's name	Paid-up capital		Cost		Dividend received during the year	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Mono Generation Company Limited	982	982	902	902	-	-
Mono Travel Company Limited	20	20	9	9	-	-
Mono Info Systems Company Limited	8	8	8	8	143	232
Mono Production Company Limited	1,820	1,820	1,820	1,820	-	-
Mono Music Company Limited	106	38	123	55	-	-
Mono Radio Company Limited	1	1	1	1	-	-
Mono Radio Broadcast Company Limited	-	-	-	-	-	-
Mono Talent Studio Company Limited	5	5	5	5	-	-
T Moment Company Limited	90	50	90	50	-	-
Mono Play Company Limited	2	-	2	-	9	-
Mono Astro Company Limited	2	-	2	-	7	-
PT Mono Technology Indonesia	4	4	4	4	-	-
Mono Technology Hong Kong Limited	107	107	107	107	-	-
Mono Technology Vietnam Company Limited	10	10	10	10	-	-
Total			3,083	2,971	159	232
Less: Allowance for impairment of investments			(56)	(14)		
Total investments in subsidiaries - net			3,027	2,957		

T Moment Company Limited (“T Moment”)

On 10 January 2017 and 21 February 2017, meetings of the Company’s Board of Directors passed resolutions to pay up a further 7.5 percent and 12.5 percent, respectively, of registered share capital of T Moment (with 45 percent of the registered share capital being called up), or totals of Baht 15 million and Baht 25 million, respectively. The Company’s shareholding in the subsidiary remained unchanged. On 8 February 2017 and 2 June 2017, respectively, the Company made full payments of such share capital.

Mono Play Company Limited (“Mono Play”) and Mono Astro Company Limited (“Mono Astro”)

On 21 February 2017, a meeting of the Company’s Board of Directors passed resolutions to approve the establishment of Mono Play and Mono Astro, which were both registered with the Ministry of Commerce on 22 February 2017 with a registered share capital of Baht 5 million each (50,000 ordinary shares with a par value of Baht 100). The Company invested in 49,997 ordinary shares of Mono Play, at a price of Baht 100 per share, or for a total of Baht 5 million (with 50 percent of the registered share capital being called up) and 49,997 ordinary shares of Mono Astro, at a price of Baht 100 per share, or for a total of Baht 5 million (with 50 percent of the registered share capital being called up). On 21 March 2017, the Company made payments of Baht 2.5 million each for the called-up share capital. As a result, the Company holds 100 percent of all issued shares of both companies.

Mono Technology Vietnam Company Limited

On 8 May 2017, a meeting of the Company’s Board of Directors approved the registration of the dissolution of Mono Technology Vietnam Company Limited, which is currently in the process of liquidation.

Mono Music Company Limited (“Mono Music”)

On 8 November 2017, the Company’s Board of Directors meeting No. 5/2017 passed a resolution to increase the registered share capital of Mono Music by Baht 68 million, from Baht 38 million (380,000 ordinary shares with a par value of Baht 100 each) to Baht 106 million (1,060,000 ordinary shares with a par value of Baht 100 each) by issuing 680,000 additional ordinary shares with a par value of Baht 100 each to the Company. This increase in share capital does not have any effect to the Company’s interest in this subsidiary. The Company made full payment of the share capital, amounting to Baht 68 million, on 24 November 2017 and Mono Music registered the increase in its share capital with the Ministry of Commerce on 27 November 2017.

As at 31 December 2017, the net asset value of the subsidiaries was Baht 387 million (2016: Baht 382 million) lower than the cost of the investments. The Company assessed the recoverable amount of its investment in subsidiaries based on the higher of a calculation of fair value less costs to sell and a value-in-use calculation, using cash flow projections. It was concluded that the recoverable amounts of investments in Mono Music and Mono Technology Hong Kong Limited were lower than the carrying amounts, amounting to Baht 26 million and Baht 17 million, respectively. The Company therefore recognised allowance for impairment loss on these investments in subsidiaries totaling Baht 43 million in profit or loss in the separate financial statements for the current year. The Company’s management believed that the allowance for impairment is sufficient in the current situation.

10. Investment in a joint venture

In June 2016, a subsidiary (Mono Technology Hong Kong Limited) invested in a joint venture with another company to establish Yunnan Mono Digital Technology Company Limited

in China, with a registered share capital of USD 8 million (62.5 percent called up). Details of this investment are as follows:

(Unit: Million Baht)

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Percent)	(Percent)				
Yunnan Mono Digital Technology Company Limited	Provided information and entertainment content	42	42	74	74	72	72
Less: Allowance for impairment of investment				(21)	(21)	(21)	(21)
Translation adjustments				(4)	-	(4)	-
Total				49	53	47	51

On 10 February 2017, a meeting of Yunnan Mono Digital Technology Company Limited's Board of Directors approved its dissolution, which was registered on 13 February 2017. Currently, it is in the process of liquidation. Therefore, during the current year, the subsidiary did not recognise any share of comprehensive income from the investment in Yunnan Mono Digital Technology Company Limited (2016: Recognised its share of loss amounting to Baht 2 million) in the consolidated financial statements. The share of comprehensive income from investment in this joint venture was calculated based on the financial statements prepared by the joint venture's management.

As at 31 December 2017, the net asset value of the joint venture was approximately Baht 53 million, consisting of a bank deposit of approximately Baht 53 million. This bank deposit is in the process of being refunded to the subsidiary.

Summarised information about comprehensive income of Yunnan Mono Digital Technology Company Limited is presented below.

(Unit: Million Baht)

	<u>2017</u>	<u>2016</u>
Total comprehensive income - loss	-	5

11. Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements							
	Land and land improvement	Building, building and leasehold improvement	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Assets under installation	Total
Cost:							
1 January 2016	244	73	159	253	25	227	981
Additions	-	6	43	14	-	78	141
Disposals	-	(1)	(1)	(2)	-	-	(4)
Transfers in (out)	12	288	-	-	-	(300)	-
31 December 2016	256	366	201	265	25	5	1,118
Additions	-	3	34	26	1	16	80
Disposals	-	-	(1)	(8)	(1)	-	(10)
Transfers in (out)	2	13	5	-	-	(20)	-
31 December 2017	258	382	239	283	25	1	1,188
Accumulated depreciation:							
1 January 2016	-	24	75	152	13	-	264
Depreciation for the year	1	12	31	34	2	-	80
Depreciation on disposals	-	(1)	(1)	(1)	-	-	(3)
31 December 2016	1	35	105	185	15	-	341
Depreciation for the year	2	24	35	34	1	-	96
Depreciation on disposals	-	-	(1)	(8)	(1)	-	(10)
31 December 2017	3	59	139	211	15	-	427
Net book value:							
31 December 2016	255	331	96	80	10	5	777
31 December 2017	255	323	100	72	10	1	761
Depreciation for the year							
2016 (Baht 62 million included in cost of services, and the balance in administrative expenses)							80
2017 (Baht 78 million included in cost of services, and the balance in administrative expenses)							96

(Unit: Million Baht)

Separate financial statements

	Leasehold improvement	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Total
Cost:					
1 January 2016	36	28	122	7	193
Additions	-	1	5	-	6
31 December 2016	36	29	127	7	199
Additions	-	1	3	-	4
Disposals	-	-	(7)	-	(7)
31 December 2017	36	30	123	7	196
Accumulated depreciation:					
1 January 2016	14	20	86	4	124
Depreciation for the year	3	4	12	1	20
31 December 2016	17	24	98	5	144
Depreciation for the year	3	3	11	-	17
Depreciation on disposals	-	-	(7)	-	(7)
31 December 2017	20	27	102	5	154
Net book value:					
31 December 2016	19	5	29	2	55
31 December 2017	16	3	21	2	42
Depreciation for the year					
2016 (Baht 8 million included in cost of services, and the balance in administrative expenses)					20
2017 (Baht 7 million included in cost of services, and the balance in administrative expenses)					17

For the year 2016, Borrowing costs amounting to Baht 3 million were capitalised. The weighted average rate of 6.5 percent per annum was used to determine the amount of borrowing costs eligible for capitalisation.

As at 31 December 2017, the Company and its subsidiaries had vehicles and equipment with net book values Baht 8 million (2016: Baht 12 million) (the Company only: Baht 4 million (2016: Baht 6 million)) which were acquired under finance lease agreements.

As at 31 December 2017, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 182 million (2016: Baht 142 million) (the Company only: Baht 104 million (2016: Baht 89 million)).

The subsidiary has mortgaged land with structures thereon with a net book value of Baht 547 million (2016: Baht 550 million) as collateral against a long-term loan facility of Baht 250 million from a bank.

12. Intangible assets

(Unit: Million Baht)

	Consolidated financial statements					Total
	Website copyright	Films, music and video copyright	Other copyright	Program computer	Advance payments and work in process	
Cost:						
1 January 2016	84	1,630	123	50	483	2,370
Additions	-	2	6	2	922	932
Disposals	(1)	(485)	(4)	-	-	(490)
Transfers in (out)	-	772	140	14	(926)	-
31 December 2016	83	1,919	265	66	479	2,812
Additions	-	1	1	6	1,137	1,145
Disposals	-	(496)	(9)	-	-	(505)
Transfers in (out)	-	835	46	-	(881)	-
31 December 2017	83	2,259	303	72	735	3,452

(Unit: Million Baht)

Consolidated financial statements

	Website copyright	Films, music and video copyright	Other copyright	Program computer	Advance payments and work in process	Total
Accumulated amortisation:						
1 January 2016	29	571	26	17	-	643
Amortisation for the year	5	621	41	9	-	676
Amortisation on disposals	(1)	(484)	(1)	-	-	(486)
31 December 2016	33	708	66	26	-	833
Amortisation for the year	5	773	44	12	-	834
Amortisation on disposals	-	(496)	(9)	-	-	(505)
31 December 2017	38	985	101	38	-	1,162
Allowance for impairment loss:						
1 January 2016	1	-	-	-	3	4
Increase during the year	16	11	3	-	-	30
Decrease during the year	(4)	-	(3)	-	-	(7)
31 December 2016	13	11	-	-	3	27
Increase during the year	-	1	4	-	-	5
31 December 2017	13	12	4	-	3	32
Net book value:						
31 December 2016	37	1,200	199	40	476	1,952
31 December 2017	32	1,262	198	34	732	2,258
Amortisation for the year						
2016 (Baht 673 million included in cost of services, and the balance in administrative expenses)						676
2017 (Baht 829 million included in cost of services, and the balance in administrative expenses)						834

(Unit: Million Baht)

	Separate financial statements				Total
	Website copyright	Films, music and video copyright	Program computer	Advance payments and Work in process	
Cost:					
1 January 2016	11	9	4	14	38
Additions	-	12	1	104	117
Transfers in (out)	-	-	14	(14)	-
31 December 2016	11	21	19	104	155
Additions	-	-	4	48	52
Disposals	-	-	-	(102)	(102)
31 December 2017	11	21	23	50	105
Accumulated amortisation:					
1 January 2016	4	7	2	-	13
Amortisation for the year	-	1	2	-	3
31 December 2016	4	8	4	-	16
Amortisation for the year	-	1	5	-	6
31 December 2017	4	9	9	-	22
Allowance for impairment loss:					
1 January 2016	1	-	-	-	1
Increase during the year	-	11	-	-	11
31 December 2016	1	11	-	-	12
31 December 2017	1	11	-	-	12
Net book value:					
31 December 2016	6	2	15	104	127
31 December 2017	6	1	14	50	71
Amortisation for the year					
2016 (Baht 2 million included in cost of services, and the balance in administrative expenses)					3
2017 (Baht 2 million included in cost of services, and the balance in administrative expenses)					6

13. Cost of spectrum license

Mono Broadcast Company Limited ("Broadcast") won a digital TV spectrum license auction for variety Standard Definition (SD) ("the license") held by the National Broadcasting and Telecommunications Commission ("NBTC"). The license is valid for 15 years from the date of the license (25 April 2014). 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 of the minimum bid price, amounting to Baht 380 million, was to be paid in 4 installments, in accordance with the conditions stipulated by NBTC, within 3 years of the date the license was granted.
- 2) The portion of the license fees in excess of the minimum bid price, amounting to Baht 1,870 million, was to be paid in 6 installments, in accordance with the conditions stipulated by NBTC, within 5 years from the date the license was granted.

Subsequently, on 20 December 2016, an announcement in the Government Gazette informed licensees who intend to extend the period of payment of the remaining license fee to notify NBTC. Broadcast did this, through a letter dated 2 February 2017, and on 22 February 2017 received a letter from NBTC approving an extension of the term for payment of the remaining license fee, together with interest, in accordance with the terms and conditions stipulated by NBTC. Following the extension, Broadcast is therefore required to pay the remaining license fee of Baht 1,160 million (the cost of the spectrum license based on the bid price (exclusive of VAT) as at that date) as follows:

- 1) Payment of the remainder of the minimum bid price, amounting to Baht 38 million, is to be paid in two installments, in accordance with the conditions stipulated by NBTC, within 4 years of the date the license was granted.
- 2) The portion of the license fees in excess of the minimum bid price, amounting to Baht 1,122 million, is to be paid in 6 installments, in accordance with the conditions stipulated by NBTC, within 8 years from the date the license was granted.

During the current year, Broadcast paid Baht 206 million of the bid price of the spectrum license (2016: Baht 412 million) and provided a bank guarantee to NBTC as a guarantee of payment of the remaining amount.

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.

The net book value of cost of spectrum license is presented below.

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2017</u>	<u>2016</u>
Cost	1,932	1,932
Less: Accumulated amortisation	<u>(475)</u>	<u>(346)</u>
Net book value	<u>1,457</u>	<u>1,586</u>

During the year, Broadcast amortised cost of spectrum license amounting to Baht 129 million (2016: Baht 129 million).

14. Short-term loans from banks

Short-term loans from banks of the Company and its subsidiaries, on which interest is changed at a rate close to the Minimum Loan Rate, are secured by the Company and its subsidiaries.

15. Trade and other payables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - related parties (Note 6)	11	-	74	117
Trade payables - unrelated parties	41	33	21	6
Other payables - related parties (Note 6)	19	23	32	23
Other payables - unrelated parties	66	51	19	13
Accrued expenses	90	76	29	39
Accounts payable for purchases of assets	<u>92</u>	<u>112</u>	<u>5</u>	<u>-</u>
Total trade and other payables	<u>319</u>	<u>295</u>	<u>180</u>	<u>198</u>

16. Long-term loans from banks

			(Unit: Million Baht)	
			Consolidated	
			financial statements	
Loan	Interest rate	Repayment schedule	<u>2017</u>	<u>2016</u>
			(Percent)	
1	MLR minus a certain spread specified in the agreement	The loan 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.	1,325	1,166
2	MLR	The loan is to be settled on a monthly basis in 84 installments. The first installment was due on 31 December 2017 and settlement is to be completed by 31 May 2023.	198	228
Total			<u>1,523</u>	<u>1,394</u>
Less: Current portion			<u>(82)</u>	<u>(55)</u>
Long-term loans from banks - net of current portion			<u><u>1,441</u></u>	<u><u>1,339</u></u>

The subsidiaries' loans are secured by the mortgage of a subsidiary's land with structures thereon, as described in Note 11 to the consolidated financial statements, the assignment of rights to receive all service income from areas and the provision of guarantees by the Company.

The loan agreements stipulate certain practices and covenants such as the maintenance of certain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements, and the shareholdings of current shareholders.

As at 31 December 2017, the Company and its subsidiaries had no long-term credit facilities which have not yet been drawn down (2016: Baht 184 million).

17. Cost of spectrum license payable

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	<u>2017</u>	<u>2016</u>
Cost of spectrum license payable	954	1,160
Less: Deferred interest expenses	<u>(53)</u>	<u>(91)</u>
Total	901	1,069
Less: Portion due within one year	<u>(206)</u>	<u>(360)</u>
Cost of spectrum license payable - net of current portion	<u>695</u>	<u>709</u>

Cost of spectrum license payable was required to make payment on a yearly basis. This will be completed by the year 2022, as described in Note 13 to the consolidated financial statements.

18. Liabilities under finance lease agreements

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities under finance lease agreements	14	10	1	5
Less: Deferred interest expenses	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
Total	13	9	1	4
Less: Portion due within one year	<u>(7)</u>	<u>(6)</u>	<u>(1)</u>	<u>(3)</u>
Liabilities under finance lease agreements - net of current portion	<u>6</u>	<u>3</u>	<u>-</u>	<u>1</u>

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 2017					
	Consolidated			Separate		
	financial statements			financial statements		
	Less than			Less than		
1 year	1-5 years	Total	1 year	1-5 years	Total	
Future minimum lease payments	8	6	14	1	-	1
Deferred interest expenses	(1)	-	(1)	-	-	-
Present value of future minimum lease payments	<u>7</u>	<u>6</u>	<u>13</u>	<u>1</u>	<u>-</u>	<u>1</u>

(Unit: Million Baht)

	As at 31 December 2016					
	Consolidated			Separate		
	financial statements			financial statements		
	Less than			Less than		
1 year	1-5 years	Total	1 year	1-5 years	Total	
Future minimum lease payments	7	3	10	4	1	5
Deferred interest expenses	(1)	-	(1)	(1)	-	(1)
Present value of future minimum lease payments	<u>6</u>	<u>3</u>	<u>9</u>	<u>3</u>	<u>1</u>	<u>4</u>

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Provision for long-term employee benefits at beginning of year	36	23	17	12
Included in profit or loss (included in administrative expenses):				
Current service cost	7	5	2	2
Interest cost	1	1	-	-
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	-	3	-	1
Experience adjustment	-	4	-	2
Provision for long-term employee benefits at end of year	<u>44</u>	<u>36</u>	<u>19</u>	<u>17</u>

As at 31 December 2017 and 2016, the weighted average duration of the liabilities for long-term employee benefit was 17 years (the Company only: 17 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	Consolidated/Separate financial statements	
	<u>2017</u>	<u>2016</u>
Discount rate	3.5	3.5
Salary increase rate	5	5

The result of sensitivity analysis on significant assumptions that increase (decrease) the present value of the long-term employee benefit obligation is summarised below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Discount rate				
Increase 50 basis points	(5)	(3)	(2)	(1)
Decrease 50 basis points	2	3	1	2
Salary increase rate				
Increase 100 basis points	7	7	3	3
Decrease 100 basis points	(8)	(6)	(4)	(3)

20. Share capital

	Approve by	Ordinary shares	Par value	Registered share capital	Registration date
		(Shares)	(Baht per share)	(Baht)	
Balance as at 1 January 2016		4,927,999,975	0.1	492,799,998	
1) Cancellation of unissued ordinary shares remaining from the general mandate for the year 2015	Annual General Meeting of the shareholders on 27 April 2016	(258,000,000)	0.1	(25,800,000)	10 May 2016
2) Issue of 265 million ordinary shares under a general mandate and 50 million ordinary shares to support the increase in capital for the specified purpose of utilising the capital raised	Annual General Meeting of the shareholders on 27 April 2016	315,000,000	0.1	31,500,000	11 May 2016
Balance as at 31 December 2016		4,984,999,975		498,499,998	
1) Cancellation of unissued ordinary shares	Annual General Meeting of the shareholders on 26 April 2017	(122,000,000)	0.1	(12,200,000)	8 May 2017
2) Issue of ordinary shares under a general mandate	Annual General Meeting of the shareholders on 26 April 2017	334,000,000	0.1	33,400,000	9 May 2017
Balance as at 31 December 2017		<u>5,196,999,975</u>		<u>519,699,998</u>	

	Ordinary shares	Par value	Issued and fully paid-up share capital	Premium on ordinary shares	Registration date
	(Share)	(Baht per share)	(Baht)	(Baht)	
Balance as at 1 January 2016	3,100,935,537	0.1	310,093,554	2,749,191,191	
1) On 23 February 2016, the Company received payments of subscription to 50 million ordinary shares with a price of Baht 1.9 per share, or a total amount of Baht 95 million.	50,000,000	0.1	5,000,000	90,000,000	26 February 2016
2) On 3 June 2016, the Company allotted 50 million newly issued ordinary shares at a price of Baht 2.03 per share, or for a total amount of Baht 101.5 million, to fund payment for movie rights and screenplays amounting to approximately Baht 103 million. Since the offer price was less than 90 percent of the weighted average market price, a silent period requirement was to be applied, in accordance with the notification of the Stock Exchange of Thailand.	<u>50,000,000</u>	0.1	<u>5,000,000</u>	<u>96,500,000</u>	7 June 2016
Balance as at 31 December 2016	3,200,935,537		320,093,554	2,935,691,191	
1) On 12 and 13 January 2017, the Company allotted the 143 million newly issued ordinary shares to certain investors by way of private placements at an offering price of Baht 2.85 per share, or for a total amount of Baht 407.55 million.	143,000,000	0.1	14,300,000	393,250,000	19 January 2017
2) On 29 September 2017, the Company allotted additional ordinary shares as a result of the exercise of warrants to purchase newly issued ordinary shares (Note 21)	<u>46,804,687</u>	0.1	<u>4,680,469</u>	<u>111,956,811</u>	4 October 2017
Balance as at 31 December 2017	<u><u>3,390,740,224</u></u>		<u><u>339,074,023</u></u>	<u><u>3,440,898,002</u></u>	

21. 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.

Subsequently, on 2 June 2016, the Company passed a resolution approving an adjustment of the exercise price and the exercise ratio of MONO-W1 for the purpose of preserving the interests of the holders, from the existing exercise price of Baht 2.5 per share to Baht 2.492 per share and from the existing exercise ratio of 1 warrant to 1 ordinary share to 1 warrant to 1.003 ordinary shares.

Details of the exercises of warrants are as follows:

<u>Exercise date</u>	<u>Exercised warrants</u>	<u>Cash received from exercises</u>	<u>Issued and fully paid-up share capital</u>	<u>Registration date</u>
	(Warrants)	(Million Baht)	(Million Baht)	
23-29 December 2014	121,183	-	308	8 January 2015
31 March 2015	814,379	2	308	8 April 2015
30 September 2015	20,000,000	50	310	5 October 2015
29 September 2017	46,664,694	117	339	4 October 2017
29 December 2017	6,448	-	339	8 January 2018

As at 31 December 2017, 1,432,395,941 warrants (2016: 1,479,067,065 warrants) were unexercised.

22. 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. At present, the statutory reserve has fully been set aside.

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salaries, wages and other employee benefits	542	493	178	169
Cost of mobile value added services	180	232	542	644
Depreciation and amortisation	1,059	885	23	24
Advertising and sales promotion expenses	114	82	31	18
Utilities expenses	103	112	68	75

24. Income tax

Income tax (income) expenses for the years are made up as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	5	7	-	6
Adjustment in respect of income tax of previous year	1	-	1	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(49)	3	(1)	-
Income tax (income) expenses reported in the statement of comprehensive income	<u>(43)</u>	<u>10</u>	<u>-</u>	<u>6</u>

The amounts of income tax relating to each component of other comprehensive income for the years are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax on actuarial loss	-	(1)	-	(1)

The reconciliation between accounting profit (loss) and income tax (income) expenses is shown below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit (loss) before tax	15	(240)	54	265
Applicable tax rate (percent)	20	20	20	20
Accounting profit (loss) before tax multiplied by				
income tax rate	3	(48)	11	53
Adjustment in respect of income tax of previous year	1	-	1	-
Effects of reversal of temporary differences				
recognised in the past	25	3	-	-
Effects of:				
Promotional privileges (Note 25)	(25)	(46)	-	-
Dividend income	-	-	(32)	(46)
Tax loss for the year for which				
a deferred tax asset was not recognised	25	102	9	-
Temporary difference and tax loss for				
the prior years for which deferred tax assets				
were recognised	(80)	-	-	-
Others	8	(1)	11	(1)
Income tax (income) expenses reported in the				
statement of comprehensive income	<u>(43)</u>	<u>10</u>	<u>-</u>	<u>6</u>

The tax rates enacted at the end of the reporting period of the subsidiaries in overseas countries are between 16.5 and 25 percent (2016: 16.5 and 25 percent).

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

(Unit: Million Baht)

	Consolidated financial statements			
	Statements of		Profit or loss in	
	financial position		statements of	
	As at 31 December		For the years ended	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets (liabilities)				
Allowances for sales return and doubtful accounts	-	4	(4)	2
Accumulated amortisation - intangible assets	(10)	(11)	1	(1)
Cost of spectrum license	37	-	37	-
Provision for long-term employee benefits	6	6	-	(1)
Unused tax loss	216	200	16	2
Others	1	2	(1)	-
Deferred tax relating to origination and reversal of temporary differences			<u>49</u>	<u>2</u>
Deferred tax assets - net	<u>250</u>	<u>201</u>		
Presented as follows:				
Deferred tax assets	259	211		
Deferred tax liabilities	(9)	(10)		
Total	<u>250</u>	<u>201</u>		

(Unit: Million Baht)

	Separate financial statements			
	Statements of		Profit or loss in	
	financial position		statements of	
	As at 31 December		For the years ended	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets (liabilities)				
Allowance for doubtful accounts	-	-	-	1
Accumulated amortisation - intangible assets	(1)	(1)	-	-
Provision for long-term employee benefits	4	4	-	(2)
Others	-	-	1	-
Deferred tax relating to origination and reversal of temporary differences			<u>1</u>	<u>(1)</u>
Deferred tax assets - net	<u>3</u>	<u>3</u>		

As at 31 December 2017, the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 806 million (2016: Baht 826 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 769 million will expire by 2022.

25. Promotional privileges

Mono Info Systems Company Limited (“MIS”) has received promotional privileges from the Board of Investment for the software business, pursuant to the investment promotion certificate No. 1029(7)/2554 issued on 11 January 2011. 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).

MIS’s revenues from the promoted operations for the year ended 31 December 2017 amounted to Baht 175 million (2016: Baht 283 million).

26. 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.

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

	Consolidated financial statements					
	Profit (loss)		Weighted average		Earnings (loss)	
	for the year		number of		per share	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	58	(250)	3,352	3,173	0.017	(0.079)
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	490	153		
Diluted earnings (loss) per share						
Profit (loss) attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>58</u>	<u>(250)</u>	<u>3,842</u>	<u>3,326</u>	0.015	Anti-dilutive

	Separate financial statements					
	Profit for the year		Weighted average		Earnings per share	
			number of			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	54	259	3,352	3,173	0.016	0.082
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	490	153		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>54</u>	<u>259</u>	<u>3,842</u>	<u>3,326</u>	0.014	0.078

27. 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 rates of 3-7 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to Baht 15 million (2016: Baht 14 million) (the Company only: Baht 6 million (2016: Baht 6 million)) were recognised as expenses.

28. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2016	Annual General Meeting of the shareholders on 26 April 2017	100	0.03
Interim dividends for 2017	Board of Directors meeting on 8 November 2017	102	0.03
Total dividends paid for 2017		<u>202</u>	<u>0.06</u>

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

The following table presents revenue and profit information regarding the Company's and its subsidiaries' operating segments for the years.

(Unit: Million Baht)

	Media		Content		Adjustments and		Consolidation	
	business ⁽¹⁾		business ⁽²⁾		eliminations			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Sales and service income								
Revenues from external customers	2,371	1,981	158	96	-	-	2,529	2,077
Inter-segment revenues	-	-	258	124	(258)	(124)	-	-
Total revenues	<u>2,371</u>	<u>1,981</u>	<u>416</u>	<u>220</u>	<u>(258)</u>	<u>(124)</u>	<u>2,529</u>	<u>2,077</u>
Segment profit (loss)	914	616	(224)	(197)			690	419
Unallocated income and expenses:								
Other income							47	36
Selling and servicing expenses							(139)	(108)
Administrative and other expenses							(450)	(440)
Share of loss from investment in a joint venture							-	(2)
Finance cost							(133)	(145)
Income tax income (expenses)							43	(10)
Profit (loss) for the year							<u>58</u>	<u>(250)</u>

(1) Media business consists of TV, radio, online and portable devices.

(2) Content business consists of movie business, sports business, music business, entertainment business, games business, travel business and horoscope business.

For the years 2017 and 2016, the Company and its subsidiaries have revenues from two major customers, arising from media and content businesses.

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2017, the subsidiaries had capital commitments of approximately Baht 530 million (2016: Baht 437 million), relating to the purchases of movie rights.

30.2 Guarantees

- a) The Company has guaranteed bank credit facilities of its subsidiaries (exclusive of guarantees provided for bank guarantees as described in Note 30.2 c) to the consolidated financial statements) totaling Baht 1,800 million (2016: Baht 1,765 million).
- b) The subsidiaries has guaranteed bank credit facilities of the Company amounting to Baht 35 million (2016: Baht 35 million).
- c) As at 31 December 2017, the Company and its subsidiaries had outstanding bank guarantees of Baht 1,041 million and USD 6 million (2016: Baht 1,365 million) (the Company only: Baht 5 million (2016: Baht 5 million)) issued by banks on behalf of the Company and its subsidiaries to guarantee contractual performance. The bank guarantees are secured by guarantees provided by the Company and its subsidiaries and pledges of their saving deposits.

30.3 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 service contracts. The terms of the agreements were generally between 1 and 15 years.

Future minimum lease and service payments required under these non-cancellable operating lease and service contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Payable:				
in up to 1 year	159	174	31	28
in over 1 year and up to 5 years	288	299	34	21
in over 5 years	312	369	-	-

30.4 Litigation

- a) In June 2015, the Company was sued by an unrelated company through 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 percent per annum on the principal until settlement is completed.

On 17 January 2017, the Central Intellectual Property and International Trade Court announced its judgement on the lawsuit in a civil case. The Court of First Instance ordered the Company to pay compensation of Baht 3 million plus interest on the principal at a rate of 7.5 percent per annum until settlement is completed. Subsequently, on 4 April 2017, the Company appealed the judgement of the Court of First Instance to the Court of Appeal for Specialized Cases, and on 29 January 2018, the Court of Appeal for Specialized Cases read its judgement in the civil case, which was to order dismissal of the plaintiff's action. The Company therefore does not need to pay compensation in accordance with the judgement of the Court of First Instance, and the case is finalised.

On 25 April 2017, the Central Intellectual Property and International Trade Court read its judgement on the lawsuit in the criminal case, which was to order the Company to pay compensation of Baht 0.1 million. On 25 July 2017, the Company appealed the judgement of the Court of First Instance and the case is being considered by the Court of Appeal for Specialized Cases, which has set a date of 27 February 2018 to announce its judgement.

The Company's management is confident that no significant losses will be incurred as a result of the lawsuit, and therefore no provision has been made for the contingent liabilities in its accounts.

- b) In July 2017, the Company was sued by an unrelated company through the Central Intellectual Property and International Trade Court in a criminal case for infringement on the online broadcast rights of video and audio content via its website.

On 15 December 2017, the Central Intellectual Property and International Trade Court accepted the lawsuit, and is currently investigating evidence.

The Company's management is confident that no significant losses will be incurred as a result of the lawsuit, and therefore no provision has been made for the contingent liabilities in its accounts.

31. Financial instruments

31.1 Financial risk management

The Company's 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, loans, trade and other payables, 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 are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage 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 are exposed to concentrations of credit risk with respect to trade receivables because they have 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's 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's 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 Company's and its subsidiaries' exposure to foreign currency risk arises mainly from trading and service transactions or loans that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts from time to time when they consider appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Kyat	-	10	-	2	0.0239	0.0262

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Rupiah	-	5,417	-	-	0.0024	0.0027
Kyat	-	10	-	2	0.0239	0.0262

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2017			
Foreign currency	Bought amount	Contractual exchange rate of bought amount	Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1	33.0900	15 May 2018

As at 31 December 2016			
Foreign currency	Bought amount	Contractual exchange rate of bought amount	Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3	35.8400	28 June 2017

31.2 Fair values of financial instruments

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

32. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 1.08:1 (2016: 1.28:1) and the Company's was 0.05:1 (2016: 0.06:1).

33. Events after the reporting period

On 21 February 2018, the Company's Board of Directors meeting No. 1/2018 passed the following significant resolutions:

- a) To propose to a meeting of shareholders for consideration a resolution to declare a dividend of Baht 0.03 per share, totaling Baht 102 million, from the retained earnings as at 31 December 2017. The amount of the dividend to be paid excludes a dividend to be paid for the Company's additional ordinary shares issued as a result of the exercise of MONO-W1 on 30 March 2018.
- b) To propose to a meeting of shareholders for consideration a resolution to decrease the Company's registered share capital by Baht 33.4 million, from Baht 519,699,997.50 (5,196,999,975 ordinary shares with a par value of Baht 0.1 each) to Baht 486,299,997.50 (4,862,999,975 ordinary shares with a par value of Baht 0.1 each), through the cancellation of 334 million unissued ordinary shares with a par value of Baht 0.1 each.
- c) To approve the payment of a further 5 percent of the registered share capital of T Moment Company Limited (with 50 percent of the registered share capital being called up), or a total of Baht 10 million. The Company's shareholding in the subsidiary remained unchanged.
- d) To approve the payment of a further 50 percent of the registered share capital of Mono Astro Company Limited (with the registered share capital being fully called up), or a total of Baht 2.5 million. The Company's shareholding in the subsidiary remained unchanged.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2018.