

**Company's financial statements and summary of management discussion and analysis from the 2018 annual report**

**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 2018, 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 2018, 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 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 2018, intangible assets and cost of spectrum license totaled Baht 3,901 million, representing 68 percent of the Group's total assets, as described in Notes 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 realizable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realizable 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 2018, the Company had investments in subsidiaries and loans to subsidiaries amounting to Baht 3,299 million and Baht 619 million, respectively, representing 72 percent and 13 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 realizable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realizable 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 2018, the Group had deferred tax assets for unused tax losses amounting to Baht 215 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 recognized when it is highly probable that the Group's taxable profit will be sufficient to allow utilization of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilize 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 recognized 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: 20 February 2019

**Summary of Financial Statements**

Statements of financial position of the Company and subsidiaries as of December 31, 2016 – 2018

Statements of Financial Position	As of December 31					
	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	91.23	1.58	129.83	2.26	86.81	1.61
Current investments – deposits with banks	0.24	–	0.23	0.00	0.23	0.01
Trade and other receivables	448.13	7.77	492.66	8.59	465.98	8.64
Inventories	16.53	0.29	10.50	0.18	8.83	0.16
Current tax assets	69.31	1.20	72.59	1.26	58.83	1.09
Prepaid expenses	38.81	0.67	23.51	0.41	22.90	0.42
Other current assets	75.56	1.31	96.82	1.70	89.33	1.66
<b>Total current assets</b>	<b>739.81</b>	<b>12.83</b>	<b>826.14</b>	<b>14.40</b>	<b>732.91</b>	<b>13.59</b>
<b>Non-current assets</b>						
Restricted bank deposits	62.60	1.09	46.06	0.80	9.13	0.17
Investment in joint venture	–	–	46.83	0.82	51.23	0.95
Property, plant and equipment	732.36	12.70	760.55	13.26	777.36	14.42
Intangible assets	2,572.81	44.63	2,258.10	39.36	1,951.97	36.20
Cost of spectrum license	1,328.01	23.04	1,456.79	25.39	1,585.57	29.41
Deferred tax assets	245.45	4.26	258.97	4.51	210.85	3.91
Other non-current assets	84.04	1.46	83.16	1.46	72.64	1.35
<b>Total non-current assets</b>	<b>5,025.27</b>	<b>87.17</b>	<b>4,910.46</b>	<b>85.60</b>	<b>4,658.75</b>	<b>86.41</b>
<b>Total assets</b>	<b>5,765.08</b>	<b>100.00</b>	<b>5,736.60</b>	<b>100.00</b>	<b>5,391.66</b>	<b>100.00</b>

Statements of Financial Position	As of December 31					
	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Liabilities</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from banks	221.86	3.85	120.00	2.09	135.00	2.50
Trade and other payables	423.61	7.35	319.04	5.56	295.06	5.47
Current portion of long-term liabilities						
Long-term loans from banks	109.64	1.90	81.89	1.43	54.89	1.02
Cost of spectrum license payable	6.78	0.12	206.18	3.59	360.57	6.69
Liabilities under finance lease agreements	15.64	0.27	6.60	0.12	6.04	0.11
Income tax payable	1.34	0.02	3.40	0.06	0.30	0.01
Other current liabilities	89.51	1.55	65.29	1.14	77.37	1.43
<b>Total current liabilities</b>	<b>868.38</b>	<b>15.06</b>	<b>802.40</b>	<b>13.99</b>	<b>929.23</b>	<b>17.23</b>
<b>Non-current liabilities</b>						
Long-term liabilities, net of current portions						
Long-term loans from banks	1,333.82	23.14	1,440.84	25.12	1,338.99	24.83
Cost of spectrum license payable	844.06	14.64	695.32	12.12	708.84	13.15
Liabilities under finance lease agreements	18.39	0.32	6.03	0.11	3.09	0.06
Provision for long-term employee benefits	51.86	0.90	43.79	0.76	36.21	0.67
Deferred tax liabilities	7.48	0.13	8.99	0.15	9.69	0.18
<b>Total non-current liabilities</b>	<b>2,255.61</b>	<b>39.13</b>	<b>2,194.97</b>	<b>38.26</b>	<b>2,096.82</b>	<b>38.89</b>
<b>Total liabilities</b>	<b>3,123.99</b>	<b>54.19</b>	<b>2,997.37</b>	<b>52.25</b>	<b>3,026.05</b>	<b>56.12</b>
<b>Shareholders' equity</b>						
Registered capital	486.30		519.70		498.50	
Issued and fully paid-up capital	347.10	6.02	339.07	5.91	320.09	5.95
Premium on ordinary shares	3,632.95	63.02	3,440.90	59.98	2,935.69	54.45
Retained earnings						
Appropriated - statutory reserve	51.97	0.90	51.97	0.91	49.85	0.92
Unappropriated	(1,238.98)	(21.49)	(941.58)	(16.41)	(795.59)	(14.76)
Other components of shareholders' equity	(151.95)	(2.64)	(151.13)	(2.63)	(144.43)	(2.68)
<b>Total parent's equity</b>	<b>2,641.09</b>	<b>45.81</b>	<b>2,739.23</b>	<b>47.75</b>	<b>2,365.61</b>	<b>43.88</b>
Non-controlling interests	-	-	-	-	-	-
<b>Total shareholders' equity</b>	<b>2,641.09</b>	<b>45.81</b>	<b>2,739.23</b>	<b>47.75</b>	<b>2,365.61</b>	<b>43.88</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,765.08</b>	<b>100.00</b>	<b>5,736.60</b>	<b>100.00</b>	<b>5,391.66</b>	<b>100.00</b>



## Statement of comprehensive income for the year ended December 31, 2016 – 2018

Statement of Comprehensive Income	Consolidated Financial Statements					
	For the year ended December 31					
	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue</b>						
Sales and service income	2,399.23	95.66	2,528.67	98.17	2,076.76	98.30
Profit from modification of the terms of payment of the spectrum license fee	75.23	3.00	-	-	-	-
Other income	33.66	1.34	47.04	1.83	35.94	1.70
<b>Total Revenues</b>	<b>2,508.12</b>	<b>100.00</b>	<b>2,575.71</b>	<b>100.00</b>	<b>2,112.70</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of sales and services	1,905.89	75.99	1,833.83	71.20	1,633.84	77.33
Selling and servicing expenses	171.03	6.82	139.39	5.41	107.57	5.09
Administrative expenses	483.43	19.27	448.34	17.41	417.92	19.78
Loss on impairment of investment in joint venture	-	-	-	-	21.30	1.01
Loss on impairment of intangible assets	-	-	4.94	0.19	23.78	1.13
Doubtful account	1.90	0.08	0.50	0.02	1.37	0.07
Reversal of allowance for impairment of investment in a joint venture	(4.03)	(0.16)	-	-	-	-
<b>Total Expenses</b>	<b>2,558.22</b>	<b>102.00</b>	<b>2,427.00</b>	<b>94.23</b>	<b>2,205.78</b>	<b>104.41</b>
<b>Profit (loss) before share of loss from investment in a joint venture, finance cost and income tax income (expenses)</b>	<b>(50.10)</b>	<b>(2.00)</b>	<b>148.71</b>	<b>5.77</b>	<b>(93.08)</b>	<b>(4.41)</b>
Share of loss from investment in joint venture	-	-	-	-	(1.81)	(0.09)
<b>Profit (loss) before finance cost and income tax income (expenses)</b>	<b>(50.10)</b>	<b>(2.00)</b>	<b>148.71</b>	<b>5.77</b>	<b>(94.89)</b>	<b>(4.50)</b>
Finance cost	(128.62)	(5.13)	(133.40)	(5.18)	(145.01)	(6.86)
<b>Profit (loss) before income tax income (expenses)</b>	<b>(178.72)</b>	<b>(7.13)</b>	<b>15.31</b>	<b>0.59</b>	<b>(239.90)</b>	<b>(11.36)</b>
Income tax income (expenses)	(14.55)	(0.58)	42.86	1.66	(9.65)	(0.45)
<b>Profit (Loss) for the year</b>	<b>(193.27)</b>	<b>(7.71)</b>	<b>58.17</b>	<b>2.26</b>	<b>(249.55)</b>	<b>(11.81)</b>
Exchange differences on translation of financial statements in foreign currency	(0.82)		(6.70)		0.92	
Actuarial gains (losses)	-		-		(7.15)	
Income tax effect	-		-		1.33	
<b>Other comprehensive income for the year</b>	<b>(0.82)</b>		<b>(6.70)</b>		<b>(4.90)</b>	
<b>Total comprehensive income for the year</b>	<b>(194.09)</b>		<b>51.47</b>		<b>(254.45)</b>	

Statement of Comprehensive Income	Consolidated Financial Statements					
	For the year ended December 31					
	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Profit attributable to</b>						
Profit attributable to equity holders of the Company	(193.27)		58.17		(249.55)	
Profit attributable to Non-controlling interests of the subsidiary	-		-		-	
<b>Profit for the year attributable to</b>	<b>(193.27)</b>		<b>58.17</b>		<b>(249.55)</b>	
<b>Earnings per share</b>						
Basic earnings (loss) per share	(0.056)		0.017		(0.079)	
Diluted earnings (loss) per share	(0.056)		0.015		(0.079)	
Weighted average number of ordinary shares (million shares)	3,451.45		3,351.57		3,172.66	

## Statement of cash flows of the Company and subsidiaries for the year ended December 31, 2016 – 2018

Statement of Cash Flows	Consolidated Financial Statements		
	For the year ended December 31		
	2018	2017	2016
	Million Baht	Million Baht	Million Baht
Net cash from operating activities	<b>1,188.95</b>	<b>1,185.86</b>	<b>749.61</b>
Net cash used in investing activities	(1,227.00)	(1,473.10)	(1,536.68)
Cash flows from financing activities	(2.11)	332.57	678.67
Increase (decrease) in translation adjustments	1.56	(2.31)	0.92
<b>Net decrease in cash and cash equivalents</b>	<b>(38.60)</b>	<b>43.02</b>	<b>(107.48)</b>

**Key Financial Ratio**

Financial Ratio	Consolidated Financial Statements		
	2018	2017	2016
<b><u>Liquidity Ratio</u></b>			
Liquidity Ratio (Time)	0.85	1.03	0.79
Quick Ratio (Time)	0.58	0.74	0.54
Cash Flow Liquidity Ratio (Time)	1.42	1.37	0.77
Account Receivable Turnover (Time)	5.49	5.76	5.04
Average Collection Period (Day)	66.46	63.38	72.42
Inventory Turnover (Time)	116.92	132.34	107.99
Average Sale Period (Day)	3.12	2.76	3.38
Payable Turnover (Time)	41.69	43.61	23.22
Average Payment Period (Day)	8.75	8.37	15.72
Cash Cycle (Day)	60.83	57.77	60.08
<b><u>Profitability Ratio</u></b>			
Gross Profit Margin (%)	20.56	27.28	20.18
Operating Profit Margin (%)	(6.63)	4.02	(6.21)
Other Profit Margin (%)	4.34	1.83	1.70
Operating Cash Flows to Operating Profit Ratio (%)	(747.83)	1,166.38	(580.98)
Net Profit Margin (%)	(7.71)	2.26	(11.81)
Return on Equity (ROE) (%)	(7.18)	2.28	(10.42)
<b><u>Efficiency Ratio</u></b>			
Return on Assets (ROA) (%)	(0.87)	2.67	(1.78)
Return on Fix Assets (ROFA) (%)	(12.09)	20.01	(22.74)
Total Assets Turnover (Time)	0.44	0.46	0.40
<b><u>Financial Policy Ratio</u></b>			
Debt to Equity Ratio (Time)	1.18	1.09	1.28
Interest Coverage (Time)	(0.39)	1.11	(0.65)
Cash Basic (Time)	0.80	0.70	0.48
Dividend Payout <sup>1/</sup> (%)	-	381.66	38.66

Remark : <sup>1/</sup> Calculated from the Net Profit according to the separate finance statements.

## Management Discussion and Analysis

### (1) Overview of Operation Results

#### Revenue

Total revenue of the Company and subsidiaries for 2018 amounted to 2,508.12 million Baht, compared to 2,575.71 million Baht in 2017, decreasing by 67.59 million Baht or 2.62 percent, with details summarized as follows:

Revenue	Consolidated Financial Statements			
	2018	2017	Increase (Decrease)	%
Sales and service income	2,399.23	2,528.67	(129.44)	(5.12)
Profit from modification of the terms of payment of the spectrum license fee	75.23	-	75.23	100.00
Other income	33.66	47.04	(13.38)	(28.44)
<b>Total</b>	<b>2,508.12</b>	<b>2,575.71</b>	<b>(67.59)</b>	<b>(2.62)</b>

Sales and service income of the Company and subsidiaries for 2018 totaled 2,399.23 million Baht, compared to 2,528.67 million Baht in 2017, decreasing by 129.44 million Baht, or 5.12 percent. Details of sales and service income can be categorized in terms of business as follows:

Business	Consolidated Financial Statements			
	2018	2017	Increase (Decrease)	%
Media business	2,193.64	2,370.90	(177.26)	(7.48)
Content business	205.59	157.77	47.82	30.31
<b>Total</b>	<b>2,399.23</b>	<b>2,528.67</b>	<b>(129.44)</b>	<b>(5.12)</b>

**Revenue from media business** comprising of the advertising and subscription business of the Company and subsidiaries for 2018 was 2,193.64 million Baht, comparing to 2,370.90 million Baht in 2017, dropping by 177.26 million Baht or 7.48 percent. The decrease of revenue resulted from the decline in the popularity of SMS. The Company has adjusted the business strategy and turn to subscription with emphasis on Monomax, a video-on-demand service which was rebranded and added interesting contents. Revenue from TV advertising still shows a continuous growth as a subsidiary has run business on SDTV under the name MONO29 channel with the concept of “Free TV with the greatest number of blockbuster movies and premium TV series”, offering world-class quality contents which are fresh and accessible via all groups of audience. MONO29 has gained TV rating and become the third of free digital TV channels, drawing attention of advertising agencies and customers to advertise their products and services via our channel. This trend is continuously increasing.

**Revenues from content business** comprising movie, sport, music and other businesses of the Company and subsidiaries in 2018 amounted to 205.59 million Baht, increasing by 47.82 million Baht, or 30.31 percent from 157.77 million Baht of 2017. This is due to the import of international films of Mono Film and the production of Thai films of T-Moment to be released through cinemas have gained more popularity as well as the income from sponsors who come to support sporting events and concerts of Mono Group.

**Other income** of the Company and subsidiaries in 2018 was 33.66 million Baht, compared with 47.04 million Baht in 2017, decreasing by 13.38 million Baht or 28.44 percent.

#### **Cost, Expense, Financial Cost and Income Tax**

Cost, expense, financial cost and income tax of the Company and subsidiaries in 2018 totaled 2,701.39 million Baht, compared to 2,517.54 million Baht in 2017, increasing by 183.85 million Baht or 7.30 percent.

Details	Consolidated Financial Statements			
	2018	2017	Increase (Decrease)	%
Cost of sales and services	1,905.89	1,833.83	72.06	3.93
Selling and servicing expenses	171.03	139.39	31.64	22.70
Administrative expenses	483.43	448.34	35.09	7.83
Loss on impairment of investment in joint venture	-	-	-	-
Loss on impairment of intangible assets	-	4.94	(4.94)	(100.00)
Doubtful account	1.90	0.50	1.40	280.00
Reversal of allowance for impairment of investment in a joint venture	(4.03)	-	(4.03)	(100.00)
<b>Total expenses</b>	<b>2,558.22</b>	<b>2,427.00</b>	<b>131.22</b>	<b>5.41</b>
Share of loss from investment in joint venture	-	-	-	-
Finance cost	128.62	133.40	(4.78)	(3.58)
Tax income (expenses)	14.55	(42.86)	57.41	(133.95)
<b>Total</b>	<b>2,701.39</b>	<b>2,517.54</b>	<b>183.85</b>	<b>7.30</b>

The increase in operating expenses was due to the Company and subsidiaries had increased amortization of copyrights from purchasing new contents from international film studios to support broadcasting in “MONO 29” and on all media platforms continually, especially Monomax which the Company has adjusted the business strategy to subscription responding both website and application customers. The Company and subsidiaries also used more public relation media within the organization and external public relation media together with partners and sponsors.

**Net Loss**

The Company and subsidiaries recorded the net loss for 2018 at 193.27 million Baht, comparing to net profit of 58.17 million Baht in 2017, loss increased by 251.44 million Baht or 432.25 percent. This is because the revenue from Mobile Value Added Service had decreased comparing to the year before as mentioned.

**(2) Financial Status Analysis****Assets**

The total assets of the Company and subsidiaries as of the end of 2018 amounted to 5,765.08 million Baht, increasing by 28.48 million Baht of 2017. This was in consequence of current assets decreased in amount of 86.33 million Baht and non-current assets increased in amount of 114.81 million Baht.

A decrease in current assets was mostly because:

Cash and bank deposits decreased by 38.60 million Baht and trade and other receivables decreased by 44.53 million Baht.

An increase in non-current assets was mostly because:

The intangible assets amounted to 2,572.81 million Baht, increasing by 314.71 million Baht from content acquisition in support of the growth of Digital TV business and movie business, especially the film acquisition with top film studios.

**Liabilities**

As of the end of 2018, total liabilities of the Company and subsidiaries stood at 3,123.99 million Baht, increasing by 126.62 million Baht from 2017 from trade and other payable of 104.57 million Baht.

**Shareholders' equity**

Shareholders' equity of the Company and subsidiaries as of the end of 2018 was 2,641.09 million Baht, decreasing by 98.14 million Baht from 2017 due largely to the 2018 losses in operating performance of 193.27 million Baht. A final dividend for 2017 was paid to the shareholders in amount of 104.13 million Baht. Therefore, the retained earnings decreased by 297.40 million Baht. During 2018, the Company's paid-up share capital rose by 80 million shares or 200 million Bath.

**Investment Structure**

As of December 31, 2018, the Company and subsidiaries recorded the total liabilities of 3,123.99 million Baht, accounting for 54.19 percent of total assets. Shareholders' equity was 2,641.09 million Baht, accounting for 45.81 percent of total assets. Debt to Equity Ratio was 1.18 times, increasing by 0.09 times from the year 2017.

**Profitability**

As of December 31, 2018, the Company and subsidiaries' gross profit margin was 20.56 percent, decreasing by 6.72 percent from 2017. Net profit margin was a contraction of -7.71 percent, increasing by 9.97 percent from 2017.

Thus, the decreasing profitability ratio and Return on Equity (ROE) for 2018 was a contraction of -7.18 percent, increasing by 9.46 percent from 2017.

**Asset Management Ability**

In 2018, the Company and subsidiaries' Return on Assets was a contraction of -0.87 percent, increasing by 3.54 percent from 2017 and Total Assets Turnover in 2018 was 0.44 times which decreased by 0.02 times from the previous year. This was because last year the Company and subsidiaries had loss from operation.

**Liquidity and Capital Adequacy**

In 2018, the Company and subsidiaries' liquidity ratio was 0.85 times, decreasing by 0.09 times from the previous year. Quick Ratio was 0.58 times, decreasing by 0.16 times from 2017. This was because the decrease in current asset of the Company and subsidiaries, whereas current liabilities increased.

In 2018, debt-to-equity ratio was 1.18 times, increasing by 0.09 times from the previous year because the Company and subsidiaries' total liabilities increased, whereas shareholders equity decreased.

**Liability Commitments**

In 2018, the future minimum lease payments required under these operating lease and service contracts were as follows:

Unit: Million Baht

Payment Period	Amount
Within one year	151
More than one year but not exceeding 5 years	238
More than 5 years	250