

Mono Technology Public Company Limited and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month and six-month periods ended 30 June 2019

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Mono Technology Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Mono Technology Public Company Limited and its subsidiaries as at 30 June 2019, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2019, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Mono Technology Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Krongkaew Limkittikul  
Certified Public Accountant (Thailand) No. 5874

EY Office Limited  
Bangkok: 7 August 2019

**Mono Technology Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 June 2019**

(Unit: Thousand Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		68,521	91,230	2,135	8,725
Current investments - bank deposits		238	236	3	3
Trade and other receivables	3	423,671	440,474	529,571	511,325
Inventories		17,160	16,528	-	-
Current tax assets		32,988	69,310	4,523	13,920
Prepaid expenses		36,422	38,809	4,137	5,124
Other current assets		62,433	83,225	4,422	3,446
<b>Total current assets</b>		<b>641,433</b>	<b>739,812</b>	<b>544,791</b>	<b>542,543</b>
<b>Non-current assets</b>					
Restricted bank deposits	17.2	69,801	62,597	942	262
Loans to subsidiaries	2	-	-	623,500	619,250
Investments in subsidiaries	4	-	-	3,298,825	3,298,825
Investment in an associate	5	75	-	-	-
Property, plant and equipment	6	718,016	732,358	24,957	29,988
Intangible assets	7	2,586,940	2,572,810	64,129	67,573
Cost of spectrum license	10	624,947	1,328,014	-	-
Deferred tax assets		249,220	245,447	15,300	11,911
Other non-current assets		90,448	84,038	20,650	30,419
<b>Total non-current assets</b>		<b>4,339,447</b>	<b>5,025,264</b>	<b>4,048,303</b>	<b>4,058,228</b>
<b>Total assets</b>		<b>4,980,880</b>	<b>5,765,076</b>	<b>4,593,094</b>	<b>4,600,771</b>

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

**Mono Technology Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 June 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>30 June 2019</b>	<b>31 December 2018</b>	<b>30 June 2019</b>	<b>31 December 2018</b>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from banks		183,844	221,857	27,824	27,986
Trade and other payables	8	581,164	423,612	124,591	115,618
Short-term loan from a subsidiary	2	-	-	49,464	52,184
Current portion of long-term liabilities					
Long-term loans from banks	9	135,682	109,640	-	-
Cost of spectrum license payable	10	206,000	6,778	-	-
Liabilities under finance lease agreements		22,558	15,638	477	-
Income tax payable		-	1,342	-	-
Other current liabilities		49,164	89,505	19,855	12,428
<b>Total current liabilities</b>		<b>1,178,412</b>	<b>868,372</b>	<b>222,211</b>	<b>208,216</b>
<b>Non-current liabilities</b>					
Long-term liabilities - net of current portion					
Long-term loans from banks	9	1,265,709	1,333,821	-	-
Cost of spectrum license payable	10	-	844,058	-	-
Liabilities under finance lease agreements		24,668	18,392	953	-
Provision for long-term employee benefits	11	84,667	51,861	38,387	22,036
Deferred tax liabilities		6,725	7,477	-	-
<b>Total non-current liabilities</b>		<b>1,381,769</b>	<b>2,255,609</b>	<b>39,340</b>	<b>22,036</b>
<b>Total liabilities</b>		<b>2,560,181</b>	<b>3,123,981</b>	<b>261,551</b>	<b>230,252</b>

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

**Mono Technology Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 June 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>30 June 2019</b>	<b>31 December 2018</b>	<b>30 June 2019</b>	<b>31 December 2018</b>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
4,862,999,975 ordinary shares of Baht 0.1 each	486,300	486,300	486,300	486,300
Issued and fully paid-up				
3,471,029,658 ordinary shares of Baht 0.1 each	347,103	347,103	347,103	347,103
Premium on ordinary shares	3,632,950	3,632,950	3,632,950	3,632,950
Differences on business combination				
under common control	(152,365)	(152,365)	-	-
Retained earnings				
Appropriated - statutory reserve	51,970	51,970	51,970	51,970
Unappropriated (deficit)	(1,457,258)	(1,238,979)	299,520	338,496
Other components of shareholders' equity	(1,701)	416	-	-
<b>Total shareholders' equity</b>	<b>2,420,699</b>	<b>2,641,095</b>	<b>4,331,543</b>	<b>4,370,519</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,980,880</b>	<b>5,765,076</b>	<b>4,593,094</b>	<b>4,600,771</b>
	-	-	-	-

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

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Directors  
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(Unaudited but reviewed)

**Mono Technology Public Company Limited and its subsidiaries****Statement of comprehensive income****For the three-month period ended 30 June 2019**

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income	12	610,128	618,721	46,641	115,906
Difference from modification of the terms of payment of the spectrum license fee	10	-	75,227	-	-
Other income		3,612	2,387	55,415	34,756
<b>Total revenues</b>		<u>613,740</u>	<u>696,335</u>	<u>102,056</u>	<u>150,662</u>
<b>Expenses</b>					
Cost of sales and services		495,480	473,632	51,151	80,462
Selling and servicing expenses		56,176	33,214	1,991	4,157
Administrative expenses		132,512	125,093	65,308	61,278
<b>Total expenses</b>		<u>684,168</u>	<u>631,939</u>	<u>118,450</u>	<u>145,897</u>
<b>Profit (loss) before finance cost and income tax</b>		<u>(70,428)</u>	<u>64,396</u>	<u>(16,394)</u>	<u>4,765</u>
Finance cost		<u>(24,881)</u>	<u>(32,021)</u>	<u>(664)</u>	<u>(236)</u>
<b>Profit (loss) before income tax</b>		<u>(95,309)</u>	<u>32,375</u>	<u>(17,058)</u>	<u>4,529</u>
Income tax	13	<u>100</u>	<u>(18,711)</u>	<u>1,908</u>	<u>(2,291)</u>
<b>Profit (loss) for the period</b>		<u>(95,209)</u>	<u>13,664</u>	<u>(15,150)</u>	<u>2,238</u>
<b>Other comprehensive income:</b>					
<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		<u>1,978</u>	<u>4,519</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>		<u>1,978</u>	<u>4,519</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>(93,231)</u>	<u>18,183</u>	<u>(15,150)</u>	<u>2,238</u>
<b>Earnings per share</b>					
14					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.027)</u>	<u>0.004</u>	<u>(0.004)</u>	<u>0.001</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company			<u>0.004</u>		<u>0.001</u>

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

**Mono Technology Public Company Limited and its subsidiaries****Statement of comprehensive income**

For the six-month period ended 30 June 2019

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income	12	1,173,001	1,247,960	92,592	256,561
Difference from modification of the terms of payment of the spectrum license fee	10	-	75,227	-	-
Other income		10,795	5,875	105,330	56,327
<b>Total revenues</b>		<u>1,183,796</u>	<u>1,329,062</u>	<u>197,922</u>	<u>312,888</u>
<b>Expenses</b>					
Cost of sales and services		976,930	926,776	105,952	186,144
Selling and servicing expenses		110,036	59,321	6,796	8,109
Administrative expenses		250,387	234,423	120,329	120,182
Reversal of allowance for impairment of investment in a joint venture		-	(4,038)	-	-
<b>Total expenses</b>		<u>1,337,353</u>	<u>1,216,482</u>	<u>233,077</u>	<u>314,435</u>
<b>Profit (loss) before finance cost and income tax</b>		<u>(153,557)</u>	<u>112,580</u>	<u>(35,155)</u>	<u>(1,547)</u>
Finance cost		(56,508)	(64,332)	(1,296)	(408)
<b>Profit (loss) before income tax</b>		<u>(210,065)</u>	<u>48,248</u>	<u>(36,451)</u>	<u>(1,955)</u>
Income tax	13	2,501	(15,118)	2,206	8,424
<b>Profit (loss) for the period</b>		<u>(207,564)</u>	<u>33,130</u>	<u>(34,245)</u>	<u>6,469</u>
<b>Other comprehensive income:</b>					
<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		(2,117)	660	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax		(10,715)	-	(4,731)	-
<b>Other comprehensive income for the period</b>		<u>(12,832)</u>	<u>660</u>	<u>(4,731)</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>(220,396)</u>	<u>33,790</u>	<u>(38,976)</u>	<u>6,469</u>
<b>Earnings per share</b>					
14					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.060)</u>	<u>0.010</u>	<u>(0.010)</u>	<u>0.002</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company			<u>0.008</u>		<u>0.002</u>

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

(Unaudited but reviewed)

**Mono Technology Public Company Limited and its subsidiaries****Cash flow statement****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(210,065)	48,248	(36,451)	(1,955)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	52,290	50,658	6,824	8,013
Amortisation	557,328	459,576	7,361	3,669
Amortisation of spectrum license cost	49,410	63,860	-	-
Reversal of doubtful debts	(19)	(282)	-	-
Reversal of doubtful debt - loan to a subsidiary	-	-	(1,383)	-
Reduction of inventories to net realisable value (reversal)	179	(742)	-	-
Reversal of allowance for impairment of investment in a joint venture	-	(4,038)	-	-
Difference from modification of the terms of payment of the spectrum license fee	-	(75,227)	-	-
(Gain) loss on disposals of equipment	1	(105)	-	(113)
Unrealised (gain) loss on exchange	(7,061)	2,749	(2,952)	-
Withholding tax written off	132	-	3	-
Provision for long-term employee benefits	20,403	4,658	10,438	1,739
Interest income	(352)	(445)	(9,261)	(10,677)
Interest expenses	56,508	64,332	1,296	408
Profit (loss) from operating activities before changes in operating assets and liabilities	518,754	613,242	(24,125)	1,084
Operating assets (increase) decrease				
Trade and other receivables	16,817	37,851	(11,328)	1,716
Inventories	(810)	(741)	-	-
Prepaid expenses	2,491	(12,382)	1,063	1,410
Other current assets	20,791	14,298	(977)	4,397
Other non-current assets	(666)	(8)	(483)	(82)
Operating liabilities increase (decrease)				
Trade and other payables	16,012	(48,453)	8,726	(42,875)
Other current liabilities	(40,340)	(617)	7,426	1,458
Cash flows from (used in) operating activities	533,049	603,190	(19,698)	(32,892)
Cash paid for corporate income tax	(34,715)	(40,879)	(4,523)	(8,343)
Cash received from withholding tax refundable	63,434	-	24,169	-
<b>Net cash flows from (used in) operating activities</b>	<b>561,768</b>	<b>562,311</b>	<b>(52)</b>	<b>(41,235)</b>

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



(Unaudited but reviewed)

**Mono Technology Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>				
Interest income	352	445	2,343	822
Increase in current investments - bank deposits	(2)	(2)	-	-
(Increase) decrease in loans to subsidiaries	-	-	(2,867)	21,000
Increase in restricted bank deposits	(7,204)	(27,885)	(680)	(21)
Cash paid for additional capital of subsidiaries	-	-	-	(144,000)
Cash paid for purchase of investment in an associate	(75)	-	-	-
Cash received from a joint venture's liquidation	-	48,488	-	-
Dividend income	-	-	-	26,299
Acquisition and cash paid to settle payables				
from purchases of equipment	(20,128)	(23,653)	(349)	(1,687)
Acquisition and cash paid to settle payables				
from purchases of intangible assets	(414,711)	(618,954)	(3,916)	(7,150)
Proceeds from sales of equipment	55	257	20	145
<b>Net cash flows used in investing activities</b>	<b>(441,713)</b>	<b>(621,304)</b>	<b>(5,449)</b>	<b>(104,592)</b>
<b>Cash flows from financing activities</b>				
Cash paid for interest expenses	(48,016)	(50,279)	(676)	(408)
Increase (decrease) in bank overdrafts				
and short-term loans from banks	(38,013)	45,951	(162)	15,000
Increase in short-term loan from a subsidiary	-	-	-	53,324
Repayment of long-term loans from banks	(42,070)	(38,071)	-	-
Repayment of liabilities under finance lease agreements	(12,548)	(6,110)	(251)	(1,406)
Proceeds from exercises of warrants	-	200,081	-	200,081
Dividend paid	-	(104,170)	-	(104,170)
<b>Net cash flows from (used in) financing activities</b>	<b>(140,647)</b>	<b>47,402</b>	<b>(1,089)</b>	<b>162,421</b>
<b>Increase (decrease) in translation adjustments</b>	<b>(2,117)</b>	<b>3,043</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(22,709)</b>	<b>(8,548)</b>	<b>(6,590)</b>	<b>16,594</b>
Cash and cash equivalents at beginning of period	91,230	129,828	8,725	67,107
<b>Cash and cash equivalents at end of period</b>	<b>68,521</b>	<b>121,280</b>	<b>2,135</b>	<b>83,701</b>
	-	-	-	-
<b>Supplemental disclosures of cash flow information</b>				
Non-cash transactions				
Payable of acquisition of equipment	1,815	6,339	45	423
Payable of acquisition of intangible assets	310,819	42,082	-	-
Assets acquired under finance lease agreements	25,744	21,857	1,681	-

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

(Unaudited but reviewed)

**Mono Technology Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity**

**For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>								
	Issued and fully paid-up share capital	Premium on ordinary shares	Share subscriptions received in advance	Differences on business combination under common control	Retained earnings		Other components of shareholders' equity Other comprehensive income Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total shareholders' equity
					Appropriated	Unappropriated (deficit)			
<b>Balance as at 1 January 2018</b>	339,074	3,440,898	-	(152,365)	51,970	(941,579)	1,235	1,235	2,739,233
Profit for the period	-	-	-	-	-	33,130	-	-	33,130
Other comprehensive income for the period	-	-	-	-	-	-	660	660	660
Total comprehensive income for the period	-	-	-	-	-	33,130	660	660	33,790
The warrant holders exercised warrants	1	15	200,065	-	-	-	-	-	200,081
Dividend paid (Note 15)	-	-	-	-	-	(104,130)	-	-	(104,130)
<b>Balance as at 30 June 2018</b>	<u>339,075</u>	<u>3,440,913</u>	<u>200,065</u>	<u>(152,365)</u>	<u>51,970</u>	<u>(1,012,579)</u>	<u>1,895</u>	<u>1,895</u>	<u>2,868,974</u>
									-
<b>Balance as at 1 January 2019</b>	347,103	3,632,950	-	(152,365)	51,970	(1,238,979)	416	416	2,641,095
Loss for the period	-	-	-	-	-	(207,564)	-	-	(207,564)
Other comprehensive income for the period	-	-	-	-	-	(10,715)	(2,117)	(2,117)	(12,832)
Total comprehensive income for the period	-	-	-	-	-	(218,279)	(2,117)	(2,117)	(220,396)
<b>Balance as at 30 June 2019</b>	<u>347,103</u>	<u>3,632,950</u>	<u>-</u>	<u>(152,365)</u>	<u>51,970</u>	<u>(1,457,258)</u>	<u>(1,701)</u>	<u>(1,701)</u>	<u>2,420,699</u>

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

(Unaudited but reviewed)

**Mono Technology Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>					<b>Total shareholders' equity</b>
	<b>Issued and fully paid-up share capital</b>	<b>Premium on ordinary shares</b>	<b>Share subscriptions received in advance</b>	<b>Retained earnings</b>		
				<b>Appropriated</b>	<b>Unappropriated</b>	
<b>Balance as at 1 January 2018</b>	339,074	3,440,898	-	51,970	511,679	4,343,621
Total comprehensive income - profit for the period	-	-	-	-	6,469	6,469
The warrant holders exercised warrants	1	15	200,065	-	-	200,081
Dividend paid (Note 15)	-	-	-	-	(104,131)	(104,131)
<b>Balance as at 30 June 2018</b>	<u>339,075</u>	<u>3,440,913</u>	<u>200,065</u>	<u>51,970</u>	<u>414,017</u>	<u>4,446,040</u>
						-
<b>Balance as at 1 January 2019</b>	347,103	3,632,950	-	51,970	338,496	4,370,519
Loss for the period	-	-	-	-	(34,245)	(34,245)
Other comprehensive income for the period	-	-	-	-	(4,731)	(4,731)
Total comprehensive income for the period	-	-	-	-	(38,976)	(38,976)
<b>Balance as at 30 June 2019</b>	<u>347,103</u>	<u>3,632,950</u>	<u>-</u>	<u>51,970</u>	<u>299,520</u>	<u>4,331,543</u>

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

**Mono Technology Public Company Limited and its subsidiaries**  
**Notes to the interim consolidated financial statements**  
**For the three-month and six-month periods ended 30 June 2019**

**1. General information**

**1.1 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

**1.2 Basis of consolidation**

The interim consolidated financial statements included the financial statements of Mono Technology Public Company Limited (“the Company”) and its subsidiary companies (“the subsidiaries”) (together referred to as “the Group”) and were prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018. There were no changes in the composition of the Group during the period, except that a subsidiary completed the liquidation as discussed in Note 4 to the interim consolidated financial statements.

### 1.3 New financial reporting standards

#### a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards are aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

**b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

- TFRS 7 Financial Instruments: Disclosures
- TFRS 9 Financial Instruments

Accounting standard:

- TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

- TFRIC 16 Hedges of a Net Investment in a Foreign Operation
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

**1.4 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.

**2. Related party transactions**

During the periods, 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)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with the subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	-	2	Contract price or as agreed upon
Interest income	-	-	4	5	3 percent per annum
Other income	-	-	47	29	Contract price
Service revenue sharing payments	-	-	21	41	Contract price or as agreed upon
Marketing expenses	-	-	-	2	Contract price or as agreed upon
Rental and service expenses	-	-	1	-	Contract price or as agreed upon
Interest expenses	-	-	1	-	3 percent per annum

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with related companies</u>					
Sales and service income	10	7	1	3	Contract price or as agreed upon
Cost of sales and services	3	4	-	2	Contract price or as agreed upon
Rental and service expenses	15	15	9	9	Contract price or as agreed upon
Other expenses	2	4	2	4	Contract price or as agreed upon

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with the subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	1	3	Contract price or as agreed upon
Interest income	-	-	9	10	3 percent per annum
Other income	-	-	88	43	Contract price
Service revenue sharing payments	-	-	42	96	Contract price or as agreed upon
Marketing expenses	-	-	1	4	Contract price or as agreed upon
Rental and service expenses	-	-	1	-	Contract price or as agreed upon
Interest expenses	-	-	1	-	3 percent per annum
<u>Transactions with related companies</u>					
Sales and service income	16	13	3	4	Contract price or as agreed upon
Cost of sales and services	6	7	1	4	Contract price or as agreed upon
Rental and service expenses	30	30	18	19	Contract price or as agreed upon
Other expenses	4	9	4	8	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	
	30 June 2019	31 December 2018 (Audited)	30 June 2019	31 December 2018 (Audited)
<b><u>Trade receivables - related parties (Note 3)</u></b>				
Subsidiaries	-	-	16	18
Related companies (related by common shareholders and directors)	3	2	1	1
Total trade receivables - related parties	<u>3</u>	<u>2</u>	<u>17</u>	<u>19</u>
<b><u>Accrued revenues - related parties (Note 3)</u></b>				
Subsidiaries	-	-	115	108
Related companies (related by common shareholders and directors)	7	1	-	-
Total accrued revenues - related parties	<u>7</u>	<u>1</u>	<u>115</u>	<u>108</u>
<b><u>Other receivables - related parties (Note 3)</u></b>				
Subsidiaries	-	-	355	326
<b><u>Deposits and retentions - related parties</u></b>				
Related companies (related by common shareholders and directors)	7	7	6	6
<b><u>Trade payables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	29	27
Related companies (related by common shareholders and directors)	17	6	-	-
Total trade payables - related parties	<u>17</u>	<u>6</u>	<u>29</u>	<u>27</u>
<b><u>Other payables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	21	19
Related companies (related by common shareholders and directors)	42	31	32	24
Total other payables - related parties	<u>42</u>	<u>31</u>	<u>53</u>	<u>43</u>
<b><u>Accrued expenses - related parties (Note 8)</u></b>				
Subsidiaries	-	-	3	2
Related companies (related by common shareholders and directors)	7	9	2	3
Total accrued expenses - related parties	<u>7</u>	<u>9</u>	<u>5</u>	<u>5</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 30 June 2019
	Balance as at 31 December 2018	Increase during the period	Decrease during the period	
	(Audited)			
Mono Generation Company Limited	38	-	-	38
Mono Travel Company Limited	1	-	(1)	-
Mono Production Company Limited	122	-	-	122
Mono Info Systems Company Limited	15	5	-	20
PT Mono Technology Indonesia	12	-	-	12
Mono Technology Vietnam Company Limited	11	-	(11)	-
Mono Radio Company Limited	8	-	-	8
Mono Radio Broadcast Company Limited	5	-	-	5
Mono Broadcast Company Limited	430	-	-	430
<b>Total</b>	<b>642</b>	<b>5</b>	<b>(12)</b>	<b>635</b>
Less: Allowance for doubtful accounts	(23)	-	11	(12)
<b>Total loans to subsidiaries - net</b>	<b>619</b>	<b>5</b>	<b>(1)</b>	<b>623</b>

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. 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.

Short-term loan from a subsidiary

During the year 2018, the Company obtained a loan of USD 1.6 million from Mono Technology Hong Kong Limited in the form of a promissory note. The loan is unsecured, carries interest at a rate of 3 percent per annum, and is repayable within one year.

Directors and management's benefits

During the periods, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	11	13	7	8

	(Unit: Million Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	23	25	15	16

**3. Trade and other receivables**

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Audited)		(Audited)
Trade receivables - related parties (Note 2)	3	2	17	19
Trade receivables - unrelated parties	134	193	13	17
Accrued revenues - related parties (Note 2)	7	1	115	108
Accrued revenues - unrelated parties	265	224	27	38
Other receivables - related parties (Note 2)	-	-	355	326
Other receivables - unrelated parties	23	28	3	3
Total	432	448	530	511
Less: Allowance for doubtful accounts	(8)	(8)	-	-
Trade and other receivables - net	424	440	530	511

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	
	30 June 2019	31 December 2018 (Audited)	30 June 2019	31 December 2018 (Audited)
<b><u>Trade receivables - related parties</u></b>				
Not yet due	1	2	1	2
Past due				
Up to 3 months	2	-	3	3
3 - 6 months	-	-	2	5
6 - 12 months	-	-	3	1
Over 12 months	-	-	8	8
Total trade receivables - related parties	3	2	17	19
<b><u>Trade receivables - unrelated parties</u></b>				
Not yet due	94	145	12	15
Past due				
Up to 3 months	33	49	1	2
3 - 6 months	3	4	-	-
6 - 12 months	11	3	-	-
Over 12 months	29	28	-	-
Total	170	229	13	17
Less: Allowance for sales return	(36)	(36)	-	-
	134	193	13	17
Less: Allowance for doubtful accounts	(8)	(8)	-	-
Total trade receivables - unrelated parties - net	126	185	13	17
Total trade receivables - net	129	187	30	36

**4. Investments in subsidiaries**

4.1 On 30 January 2019, Mono Technology Vietnam Company Limited registered the completion of its liquidation.

4.2 As at 30 June 2019, the net asset value of the subsidiaries was Baht 419 million (31 December 2018: Baht 397 million) lower than the cost of the investments. The Company did not record a further allowance for impairment loss on such investments since its management believed that it was not of a permanent nature.

**5. Investment in an associate**

On 31 May 2019, Mono Sport Entertainment Company Limited and unrelated parties jointly established Thai Professional Basketball League Company Limited in Thailand to organise basketball events. The subsidiary acquired 31.66 percent of all issued shares of Thai Professional Basketball league Company Limited (with 25 percent of the registered share capital being called up) at a price of Baht 74,975.

**6. Property, plant and equipment**

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	732	30
Acquisitions during the period - at cost	38	2
Depreciation for the period	(52)	(7)
Net book value as at 30 June 2019	<u>718</u>	<u>25</u>

A subsidiary has mortgaged land with structures thereon with a net book value of Baht 528 million (31 December 2018: Baht 533 million) as collateral against a long-term loan facility of Baht 250 million from a bank.

**7. Intangible assets**

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	2,573	68
Acquisitions during the period - at cost	571	4
Amortisation for the period	(557)	(8)
Net book value as at 30 June 2019	<u>2,587</u>	<u>64</u>

**8. Trade and other payables**

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
				(Audited)
Trade payables - related parties (Note 2)	17	6	29	27
Trade payables - unrelated parties	48	34	9	12
Other payables - related parties (Note 2)	42	31	53	43
Other payables - unrelated parties	77	79	15	15
Accrued expenses - related parties (Note 2)	7	9	5	5
Accrued expenses - unrelated parties	77	101	14	14
Accounts payable for purchases of assets	313	164	-	-
Total trade and other payables	<u>581</u>	<u>424</u>	<u>125</u>	<u>116</u>

**9. Long-term loans from banks**

	(Unit: Million Baht)	
	<u>Consolidated financial statements</u>	
	30 June 2019	31 December 2018
		(Audited)
Mono Broadcast Company Limited	1,250	1,275
Mono Production Company Limited	151	168
Total	1,401	1,443
Less: Current portion	(135)	(109)
Long-term loans from banks - net of current portion	<u>1,266</u>	<u>1,334</u>

Movements in the long-term loan from bank account during the period were summarised below.

	(Unit: Million Baht)
	<u>Consolidated financial statements</u>
Balance as at 1 January 2019	1,443
Less: Repayment	(42)
Balance as at 30 June 2019	<u>1,401</u>

The subsidiaries' loans are secured by the mortgage of a subsidiary's land with structures thereon, as described in Note 6 to the interim 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.

**10. Cost of spectrum license payable**

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	30 June	31 December
	2019	2018
		(Audited)
Cost of spectrum license payable	206	954
Less: Deferred interest expenses	-	(103)
Total	206	851
Less: Portion due within one year	(206)	(7)
Cost of spectrum license payable - net of current portion	-	844

On 5 June 2018, Mono Broadcast Company Limited (“Mono Broadcast”) received a letter from the Office of National Broadcasting and Telecommunications Commission (“NBTC”) approving a suspension of payment of the remaining spectrum license fee, together with interest, in accordance with the terms and conditions stipulated by NBTC, following an announcement in the Government Gazette on 23 May 2018. As a result, Mono Broadcast recalculated the cost of spectrum license payable, using the existing effective interest rate and new payment terms approved by NBTC, and recorded the difference of Baht 75 million resulting from this recalculation as a separate item in the profit or loss for the three-month and six-month periods ended 30 June 2018.

Subsequently, on 11 April 2019, the order of the Head of National Council for Peace and Order regarding measures on solving issues in operating the television and telecommunication business was announced that licensees of digital TV spectrum are to be granted a waiver of the final installment payment of the minimum bid price of the spectrum license fee and the final two installments of the license fee in excess of the minimum bid price. As a result, Mono Broadcast reduced Baht 654 million for the carrying value of the cost of spectrum license and the value of the cost of spectrum license payable, to reflect the present value of the entity’s future cash outflows under the new regulations.

In addition, pursuant to the order of the Head of National Council for Peace and Order as mentioned earlier, the licensees are required to settle the complete payment of the remaining amounts within 120 days from the date on which the order is effective, otherwise interest is to be paid at a rate of 7.5 percent per annum, in accordance with the terms and conditions stipulated by the Office of NBTC.



Movements in the cost of spectrum license and cost of spectrum license payable accounts during the period are summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements	
	Cost of spectrum license	Cost of spectrum license payable
Balance as at 1 January 2019	1,328	851
Amortisation / Amortisation of deferred interest expenses for the period	(49)	9
Less: Reduction of the carrying value of the cost of spectrum license and the value of the cost of spectrum license payable as a result of the waiver of the payment of the spectrum license fee	(654)	(654)
Balance as at 30 June 2019	625	206

## 11. Provision for long-term employee benefits

### Amendments to the law relating to the legal severance pay rates

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Government Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 18 million (The Company only: Baht 8 million) as a result. The Company and its subsidiaries reflected the effect of the change as expenses in the current quarter.

(Unaudited but reviewed)

## 12. Revenue from contracts with customers

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Type of goods or service:</b>				
Advertising services	528	489	19	21
Subscription services	35	96	27	95
Content services	47	34	1	-
Total revenue from contracts with customers	<u>610</u>	<u>619</u>	<u>47</u>	<u>116</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Type of goods or service:</b>				
Advertising services	1,010	964	37	42
Subscription services	67	216	55	214
Content services	96	68	1	-
Total revenue from contracts with customers	<u>1,173</u>	<u>1,248</u>	<u>93</u>	<u>256</u>

**13. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax for the periods are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current income tax charge	-	1	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	-	18	(2)	2
<b>Tax (income) expenses reported in the statement of comprehensive income</b>	<u>-</u>	<u>19</u>	<u>(2)</u>	<u>2</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current income tax charge	-	1	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(3)	14	(2)	(8)
<b>Tax (income) expenses reported in the statement of comprehensive income</b>	<u>(3)</u>	<u>15</u>	<u>(2)</u>	<u>(8)</u>

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

	(Unit: Million Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax on actuarial loss	(2)	-	(1)	-

#### 14. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period 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 at the beginning of the period.

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

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit (loss)		Weighted average		Earnings (loss)		
for the period		number of		per share		
2019	2018	2019	2018	2019	2018	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
<b>Basic earnings (loss) per share</b>						
Profit (loss) attributable to equity holders of the Company	(95)	14	3,471	3,471	(0.027)	0.004
<b>Effect of dilutive potential ordinary shares</b>						
Warrants offered to existing shareholders	-	-	-	323		
<b>Diluted earnings per share</b>						
Profit (loss) attributable to ordinary shareholders					Anti-	
assuming the conversion of warrants to ordinary shares	(95)	14	3,471	3,794	diluted	0.004
Separate financial statements						
For the three-month periods ended 30 June						
Profit (loss)		Weighted average		Earnings (loss)		
for the period		number of		per share		
2019	2018	2019	2018	2019	2018	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
<b>Basic earnings (loss) per share</b>						
Profit (loss) attributable to equity holders of the Company	(15)	2	3,471	3,471	(0.004)	0.001
<b>Effect of dilutive potential ordinary shares</b>						
Warrants offered to existing shareholders	-	-	-	323		
<b>Diluted earnings per share</b>						
Profit (loss) attributable to ordinary shareholders					Anti-	
assuming the conversion of warrants to ordinary shares	(15)	2	3,471	3,794	diluted	0.001

Consolidated financial statements						
For the six-month periods ended 30 June						
		Weighted average				
Profit (loss)		number of		Earnings (loss)		
for the period		ordinary shares		per share		
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
(Million	(Million	(Million	(Million			
Baht)	Baht)	shares)	shares)	(Baht)	(Baht)	
<b>Basic earnings (loss) per share</b>						
Profit (loss) attributable to equity holders of the Company	(208)	33	3,471	3,432	(0.060)	0.010
<b>Effect of dilutive potential ordinary shares</b>						
Warrants offered to existing shareholders	-	-	-	497		
<b>Diluted earnings per share</b>						
Profit (loss) attributable to ordinary shareholders					Anti-	
assuming the conversion of warrants to ordinary shares	(208)	33	3,471	3,929	diluted	0.008

Separate financial statements						
For the six-month periods ended 30 June						
		Weighted average				
Profit (loss)		number of		Earnings (loss)		
for the period		ordinary shares		per share		
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
(Million	(Million	(Million	(Million			
Baht)	Baht)	shares)	shares)	(Baht)	(Baht)	
<b>Basic earnings (loss) per share</b>						
Profit (loss) attributable to equity holders of the Company	(34)	6	3,471	3,432	(0.010)	0.002
<b>Effect of dilutive potential ordinary shares</b>						
Warrants offered to existing shareholders	-	-	-	497		
<b>Diluted earnings per share</b>						
Profit (loss) attributable to ordinary shareholders					Anti-	
assuming the conversion of warrants to ordinary shares	(34)	6	3,471	3,929	diluted	0.002

**15. Dividends**

On 25 April 2018, the 2018 Annual General Meeting of the Company's shareholders passed a resolution to declare a dividend of Baht 0.03 per share, totaling Baht 104 million, from the retained earnings as at 31 December 2017.

**16. Segment information**

The following table presents revenue and profit (loss) information regarding the Company's and its subsidiaries' operating segments for the periods.

(Unit: Million Baht)

	For the three-month periods ended 30 June							
	Media		Content		Adjustments		Consolidation	
	business <sup>(1)</sup>		business <sup>(2)</sup>		and			
	2019	2018	2019	2018	2019	2018	2019	2018
Sales and service income								
Revenues from external customers	563	585	47	34	-	-	610	619
Inter-segment revenues	-	-	153	84	(153)	(84)	-	-
Total revenues	<u>563</u>	<u>585</u>	<u>200</u>	<u>118</u>	<u>(153)</u>	<u>(84)</u>	<u>610</u>	<u>619</u>
Segment profit (loss)	200	220	(85)	(75)			115	145
Unallocated income and expenses:								
Other income							4	78
Selling and servicing expenses							(56)	(33)
Administrative and other expenses							(133)	(125)
Finance cost							(25)	(32)
Income tax							-	(19)
Profit (loss) for the period							<u>(95)</u>	<u>14</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Media		Content		Adjustments		Consolidation	
	business <sup>(1)</sup>		business <sup>(2)</sup>		and			
	2019	2018	2019	2018	eliminations		2019	2018
Sales and service income								
Revenues from external customers	1,077	1,180	96	68	-	-	1,173	1,248
Inter-segment revenues	-	-	252	166	(252)	(166)	-	-
Total revenues	<u>1,077</u>	<u>1,180</u>	<u>348</u>	<u>234</u>	<u>(252)</u>	<u>(166)</u>	<u>1,173</u>	<u>1,248</u>
Segment profit (loss)	357	461	(161)	(141)			196	320
Unallocated income and expenses:								
Other income							11	81
Selling and servicing expenses							(110)	(59)
Administrative and other expenses							(251)	(234)
Reversal of allowance for impairment of investment in a joint venture							-	4
Finance cost							(57)	(64)
Income tax							3	(15)
Profit (loss) for the period							<u>(208)</u>	<u>33</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.

## 17. Commitments and contingent liabilities

### 17.1 Capital commitments

As at 30 June 2019, the subsidiaries had capital commitments of approximately Baht 684 million (31 December 2018: Baht 380 million), relating to the purchases of movie rights.



**17.2 Guarantees**

- a) The Company has guaranteed bank credit facilities of its subsidiaries (exclusive of guarantees provided for bank guarantees as described in Note 17.2 c) to the interim consolidated financial statements) totaling Baht 1,685 million (31 December 2018: Baht 1,727 million).
- b) The subsidiaries have guaranteed bank credit facilities of the Company amounting to Baht 35 million (31 December 2018: Baht 35 million).
- c) As at 30 June 2019, the Company and its subsidiaries had outstanding bank guarantees of Baht 237 million and USD 13 million (31 December 2018: Baht 1,038 million and USD 10 million) (the Company only: Baht 3 million (31 December 2018: Baht 2 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.

**17.3 Operating lease and service commitments**

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

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Payable:				
in up to 1 year	150	151	22	35
in over 1 year and up to 5 years	241	238	1	8
in over 5 years	222	250	-	-

## 17.4 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.

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 to the Court of Appeal for Specialized Cases, and on 27 February 2018, the Court of Appeal for Specialized Cases read its judgement in the criminal 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.

However, on 7 May 2018, the plaintiff appealed the judgements of the Court of Appeal for Specialized Cases in both the civil case and the criminal case to the Supreme Court. The appeals are currently being considered by the Supreme Court.

- 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. Subsequently, on 6 November 2018, the court ordered dismissal of the plaintiff's action. The plaintiff did not appeal the judgement of the court within 21 March 2019, and the case is thus finalised.

- c) In August 2018, the Company and its subsidiary were sued by an unrelated individual through the Central Intellectual Property and International Trade Court in a criminal case for infringement of copyright in literary works, seeking compensation of Baht 7 million. On 22 May 2019, the Central Intellectual Property and International Trade Court accepted the lawsuit against the Company, and is considering the case.

The Company's and its subsidiary'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.

#### **18. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 August 2019.