

Mono Next Public Company Limited
(formerly known as “Mono Technology
Public Company Limited”) and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of Mono Next Public Company Limited
(formerly known as “Mono Technology Public Company Limited”)

Opinion

I have audited the accompanying consolidated financial statements of Mono Next Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, 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 Next 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 Next Public Company Limited and its subsidiaries and of Mono Next Public Company Limited as at 31 December 2020, 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.

Emphasis of Matters

I draw attention to Note 1.2 to the consolidated financial statements. The COVID-19 pandemic is resulting in an economic slowdown and impacting the Group's business activities. The Group's management has monitored the ongoing developments and amended its business plan to reflect the current circumstances. Moreover, the management has continuously assessed the impact, and adjusted the values of assets in the consolidated financial statements and investments in subsidiaries in the separate financial statements, in so far as they are relevant to the amendments to the business plan, as discussed in Note 10.7 to the consolidated financial statements. In preparing the consolidated and separate financial statements for the year ended 31 December 2020, the Group has elected to apply the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions, as discussed in Note 3 to the consolidated financial statements. My opinion is not modified in respect of these matters.

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 assets

As at 31 December 2020, intangible assets and cost of spectrum license totaled Baht 2,570 million, representing 58 percent of the Group's total assets in the consolidated statement of financial position, as described in Notes 12 and 13 to the consolidated financial statements. Moreover, the Company had investments in subsidiaries and loans to and interest receivable from subsidiaries amounting to Baht 4,148 million, representing 96 percent of total assets in the separate statement of financial position, as described in Notes 7 and 10 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 the 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

- Gaining an understanding of the process by which the figures were arrived at
- Comparing the assumptions with external and internal sources of information
- Comparing past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections
- Evaluating the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry
- Testing the calculation of the realisable values of the assets using the selected financial model
- Considering the impact of changes in key assumptions on realisable values, especially changes in the discount rate and long-term revenue growth rates
- Reviewing the disclosures made with respect to the impairment assessment for assets

Deferred tax assets for unused tax losses

As at 31 December 2020, the Group had deferred tax assets for unused tax losses amounting to Baht 198 million. The Group has disclosed its accounting policy and details relating to deferred tax in Notes 5 and 26, 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: 24 February 2021

Mono Next Public Company Limited (formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets					
Current assets					
Cash and cash equivalents		173,216,375	45,071,575	4,476,979	1,796,355
Trade and other receivables	8	244,709,419	141,493,342	66,774,783	419,443,473
Contract assets - accrued revenues		140,135,434	189,115,089	10,008,661	128,582,303
Inventories	9	8,091,579	16,339,225	-	-
Current tax assets		44,678,722	66,941,755	8,308,513	9,016,168
Prepaid expenses		7,394,018	17,512,728	1,268,428	3,361,698
Other current assets		<u>40,646,452</u>	<u>57,315,861</u>	<u>5,244,200</u>	<u>5,568,493</u>
Total current assets		<u>658,871,999</u>	<u>533,789,575</u>	<u>96,081,564</u>	<u>567,768,490</u>
Non-current assets					
Restricted bank deposits	30.2	66,851,459	39,607,007	31,000	912,668
Investments in subsidiaries	10	-	-	3,545,293,155	3,225,225,288
Investment in an associate		-	882,569	-	-
Loans to and interest receivable from subsidiaries	7	-	-	602,272,627	623,500,000
Property, plant and equipment	11	652,402,787	712,971,761	7,197,797	21,705,798
Intangible assets	12	2,040,791,362	2,282,813,234	9,240,918	56,454,717
Cost of spectrum license	13	529,015,998	592,853,734	-	-
Deferred tax assets	26	364,288,660	300,533,705	13,869,637	13,237,906
Other non-current assets		<u>93,866,817</u>	<u>79,324,735</u>	<u>27,294,132</u>	<u>20,495,886</u>
Total non-current assets		<u>3,747,217,083</u>	<u>4,008,986,745</u>	<u>4,205,199,266</u>	<u>3,961,532,263</u>
Total assets		<u>4,406,089,082</u>	<u>4,542,776,320</u>	<u>4,301,280,830</u>	<u>4,529,300,753</u>

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

Mono Next Public Company Limited (formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	14	155,023,106	185,870,778	15,000,000	19,226,996
Trade and other payables	15	497,294,213	358,355,579	165,170,882	151,636,370
Contract liabilities - unearned revenues		124,386,648	72,611,160	128,000	408,538
Short-term loans from an unrelated party	16	215,000,000	-	-	-
Current portion of long-term liabilities					
Long-term loans from banks	17	199,244,566	300,788,136	-	-
Cost of spectrum license and interest payable	18	227,672,329	-	-	-
Lease liabilities	19.2	15,806,079	21,842,919	672,400	632,895
Short-term loan from a subsidiary	7	-	-	-	48,514,400
Income tax payable		628,066	386,833	-	-
Other current liabilities		25,087,198	37,533,855	5,556,151	13,591,697
Total current liabilities		1,460,142,205	977,389,260	186,527,433	234,010,896
Non-current liabilities					
Long-term liabilities - net of current portion					
Long-term loans from banks	17	1,502,679,418	1,233,075,755	-	-
Cost of spectrum license and interest payable	18	-	212,180,000	-	-
Lease liabilities	19.2	8,829,684	16,219,267	303,084	975,484
Deferred tax liabilities	26	3,679,004	5,834,091	-	-
Provision for long-term employee benefits	20	78,095,124	86,394,755	28,253,207	42,436,881
Total non-current liabilities		1,593,283,230	1,553,703,868	28,556,291	43,412,365
Total liabilities		3,053,425,435	2,531,093,128	215,083,724	277,423,261

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

Mono Next Public Company Limited (formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Shareholders' equity					
Share capital	21				
Registered					
3,471,054,038 ordinary shares (2019:					
4,862,999,975 ordinary shares) of Baht 0.1 each		<u>347,105,404</u>	<u>486,299,998</u>	<u>347,105,404</u>	<u>486,299,998</u>
Issued and fully paid-up					
3,471,054,038 ordinary shares of Baht 0.1 each		347,105,404	347,105,404	347,105,404	347,105,404
Premium on ordinary shares		3,633,007,963	3,633,007,963	3,633,007,963	3,633,007,963
Differences on business combination					
under common control		(152,365,167)	(152,365,167)	-	-
Retained earnings					
Appropriated - statutory reserve	22	51,970,000	51,970,000	51,970,000	51,970,000
Unappropriated (deficit)		(2,527,111,272)	(1,865,882,536)	54,113,739	219,794,125
Other components of shareholders' equity		<u>56,719</u>	<u>(2,152,472)</u>	-	-
Total shareholders' equity		<u>1,352,663,647</u>	<u>2,011,683,192</u>	<u>4,086,197,106</u>	<u>4,251,877,492</u>
Total liabilities and shareholders' equity		<u>4,406,089,082</u>	<u>4,542,776,320</u>	<u>4,301,280,830</u>	<u>4,529,300,753</u>

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

Directors

Mono Next Public Company Limited (formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from contracts with customers	23	1,644,650,706	2,150,389,052	136,144,392	190,676,165
Dividend income	7, 10	-	-	6,999,738	-
Other income	7	47,633,604	33,363,948	109,039,954	185,560,904
Total revenues		1,692,284,310	2,183,753,000	252,184,084	376,237,069
Expenses					
Cost of sales and services		1,729,152,234	1,963,107,585	108,417,804	189,557,687
Selling and servicing expenses		163,323,988	281,760,405	2,753,043	10,474,894
Administrative expenses		342,076,809	493,693,125	145,430,764	233,906,955
Expected credit losses (reversal)		9,782,039	(40,640)	12,196,797	(1,382,984)
Loss on impairment of investments in subsidiaries	10	-	-	174,807,747	73,600,000
Loss on impairment of other non-financial assets	11, 12	37,334,777	5,250,905	7,456,552	-
Total expenses		2,281,669,847	2,743,771,380	451,062,707	506,156,552
Operating loss		(589,385,537)	(560,018,380)	(198,878,623)	(129,919,483)
Share of profit (loss) from investment in an associate		(282,687)	807,594	-	-
Finance income		194,515	589,970	36,198,690	18,697,674
Finance cost	24	(120,323,198)	(110,417,646)	(4,251,086)	(2,878,510)
Loss before income tax		(709,796,907)	(669,038,462)	(166,931,019)	(114,100,319)
Tax income (expenses)	26	48,302,858	52,849,774	(1,453,269)	130,359
Loss for the year		(661,494,049)	(616,188,688)	(168,384,288)	(113,969,960)
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 currencies		2,209,191	(2,568,902)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax	20	265,313	(10,715,056)	2,703,902	(4,731,566)
Other comprehensive income for the year		2,474,504	(13,283,958)	2,703,902	(4,731,566)
Total comprehensive income for the year		(659,019,545)	(629,472,646)	(165,680,386)	(118,701,526)
Loss per share					
27					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.19)	(0.18)	(0.05)	(0.03)

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

Mono Next Public Company Limited (formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Loss before tax	(709,796,907)	(669,038,462)	(166,931,019)	(114,100,319)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation	79,265,833	97,295,648	8,019,321	12,766,810
Amortisation	1,236,779,376	1,145,611,907	7,030,390	15,800,220
Amortisation of spectrum license cost	63,837,737	81,503,301	-	-
Expected credit losses (reversal)	9,782,039	(40,640)	12,196,797	(1,382,984)
Reduction of inventories to net realisable value (reversal)	(1,011,590)	850,660	-	-
Loss on impairment of investments in subsidiaries	-	-	174,807,747	73,600,000
Dividend income	-	-	(6,999,738)	-
Share of loss (profit) from investment in an associate	282,687	(807,594)	-	-
Loss (gain) on disposals of equipment	(2,774,951)	1,836,899	(1,334,959)	(212,739)
Gain on disposals of intangible assets	(286)	-	(17,303)	-
Loss on impairment of other non-financial assets	37,334,777	5,250,905	7,456,552	-
Unrealised gain on exchange	(5,607,738)	(5,968,307)	(127,585)	(3,939,517)
Provision for long-term employee benefits	34,290,140	21,930,184	(354,191)	13,793,889
Finance income	(194,515)	(589,970)	(36,198,690)	(18,697,674)
Finance cost	120,323,198	110,417,646	4,251,086	2,878,510
Profit (loss) from operating activities before changes in operating assets and liabilities	862,509,800	788,252,177	1,798,408	(19,493,804)
Operating assets decrease (increase)				
Trade and other receivables	(64,046,614)	109,900,937	363,618,181	(35,769,432)
Inventories	9,259,235	(661,406)	-	-
Prepaid expenses	9,206,255	20,927,597	2,076,185	1,807,828
Other current assets	16,669,408	25,908,866	324,293	(2,123,245)
Other non-current assets	119,121	2,341,745	132,921	(339,444)
Operating liabilities increase (decrease)				
Trade and other payables	(179,025,929)	63,189,784	37,374,865	35,840,482
Other current liabilities	39,328,831	20,640,702	(8,316,084)	1,571,030
Cash flows from (used in) operating activities	694,020,107	1,030,500,402	397,008,769	(18,506,585)
Cash paid for corporate income tax	(48,299,038)	(68,277,583)	(8,308,513)	(9,016,168)
Cash received from withholding tax refundable	38,534,917	69,822,934	-	24,168,574
Cash paid for long-term employee benefits	(42,324,458)	-	(11,125,581)	-
Net cash flows from (used in) operating activities	641,931,528	1,032,045,753	377,574,675	(3,354,179)

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

Mono Next Public Company Limited (formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Interest received	194,515	589,970	95,725,348	17,766,810
Dividend received	599,882	-	6,999,738	-
Decrease in loans to subsidiaries	-	-	57,000,000	1,382,984
Increase in loans to subsidiaries	-	-	-	(4,250,000)
Decrease in restricted bank deposits	1,059,020	24,029,872	881,668	211,793
Increase in restricted bank deposits	(28,303,472)	(1,039,520)	-	(862,168)
Cash paid for additional capital of subsidiaries	-	-	(625,000,000)	-
Cash returns of capital by subsidiaries	-	-	55,052,723	-
Cash paid for purchase of investment in an associate	-	(74,975)	-	-
Acquisition and cash paid to settle payables				
from purchases of equipment	(59,966,611)	(45,411,889)	(561,722)	(2,601,839)
Acquisition and cash paid to settle payables				
from purchases of intangible assets	(672,331,924)	(990,333,621)	(1,590,596)	(4,681,633)
Proceeds from sales of equipment	21,503,802	1,943,723	3,438,515	260,597
Proceeds from sales of intangible assets	-	-	40,981,308	-
Net cash flows from (used in) investing activities	<u>(737,244,788)</u>	<u>(1,010,296,440)</u>	<u>(367,073,018)</u>	<u>7,226,544</u>
Cash flows from financing activities				
Cash paid for interest expenses	(102,877,652)	(95,404,597)	(1,452,498)	(1,537,775)
Decrease in bank overdrafts and short-term loans from banks	(30,847,672)	(35,986,008)	(4,226,996)	(8,758,775)
Increase in short-term loans from an unrelated party	215,000,000	-	-	-
Cash received from long-term loans from banks	250,000,000	200,000,000	-	-
Payment of front-end fees	(7,000,000)	-	-	-
Repayment of long-term loans from banks	(76,078,408)	(109,597,251)	-	-
Payment of principal portion of lease liabilities	(26,938,084)	(24,642,120)	(2,132,224)	(562,271)
Proceeds from exercises of warrants	-	60,072	-	60,072
Dividend paid	(9,315)	(5,133)	(9,315)	(5,133)
Net cash flows from (used in) financing activities	<u>221,248,869</u>	<u>(65,575,037)</u>	<u>(7,821,033)</u>	<u>(10,803,882)</u>
Increase (decrease) in translation adjustments	<u>2,209,191</u>	<u>(2,568,902)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>128,144,800</u>	<u>(46,394,626)</u>	<u>2,680,624</u>	<u>(6,931,517)</u>
Cash and cash equivalents at beginning of year	<u>45,071,575</u>	<u>91,466,201</u>	<u>1,796,355</u>	<u>8,727,872</u>
Cash and cash equivalents at end of year	<u>173,216,375</u>	<u>45,071,575</u>	<u>4,476,979</u>	<u>1,796,355</u>
	-	-	-	-
Supplemental disclosures of cash flow information				
Non-cash transactions				
Payable of acquisition of equipment	541,490	17,287,642	222,683	22,308
Payable of acquisition of intangible assets	359,522,538	19,086,957	-	-

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

Mono Next Public Company Limited (formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements								
			Differences on business combination	<u>Retained earnings</u>		<u>Other components of shareholders' equity</u>		Total
	Issued and fully paid-up share capital	Premium on ordinary shares		Appropriated	Unappropriated (deficit)	Other comprehensive income	Exchange differences on translation of financial statements in foreign currencies	
			under common control					of shareholders' equity
Balance as at 1 January 2019	347,102,966	3,632,950,329	(152,365,167)	51,970,000	(1,238,978,792)	416,430		2,641,095,766
Loss for the year	-	-	-	-	(616,188,688)	-		(616,188,688)
Other comprehensive income for the year	-	-	-	-	(10,715,056)	(2,568,902)		(13,283,958)
Total comprehensive income for the year	-	-	-	-	(626,903,744)	(2,568,902)		(629,472,646)
The warrant holders exercised warrants (Note 21)	2,438	57,634	-	-	-	-		60,072
Balance as at 31 December 2019	<u>347,105,404</u>	<u>3,633,007,963</u>	<u>(152,365,167)</u>	<u>51,970,000</u>	<u>(1,865,882,536)</u>	<u>(2,152,472)</u>		<u>2,011,683,192</u>
Balance as at 1 January 2020	347,105,404	3,633,007,963	(152,365,167)	51,970,000	(1,865,882,536)	(2,152,472)		2,011,683,192
Loss for the year	-	-	-	-	(661,494,049)	-		(661,494,049)
Other comprehensive income for the year	-	-	-	-	265,313	2,209,191		2,474,504
Total comprehensive income for the year	-	-	-	-	(661,228,736)	2,209,191		(659,019,545)
Balance as at 31 December 2020	<u>347,105,404</u>	<u>3,633,007,963</u>	<u>(152,365,167)</u>	<u>51,970,000</u>	<u>(2,527,111,272)</u>	<u>56,719</u>		<u>1,352,663,647</u>

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

Mono Next Public Company Limited (formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 1 January 2019	347,102,966	3,632,950,329	51,970,000	338,495,651	4,370,518,946
Loss for the year	-	-	-	(113,969,960)	(113,969,960)
Other comprehensive income for the year	-	-	-	(4,731,566)	(4,731,566)
Total comprehensive income for the year	-	-	-	(118,701,526)	(118,701,526)
The warrant holders exercised warrants (Note 21)	2,438	57,634	-	-	60,072
Balance as at 31 December 2019	347,105,404	3,633,007,963	51,970,000	219,794,125	4,251,877,492
Balance as at 1 January 2020	347,105,404	3,633,007,963	51,970,000	219,794,125	4,251,877,492
Loss for the year	-	-	-	(168,384,288)	(168,384,288)
Other comprehensive income for the year	-	-	-	2,703,902	2,703,902
Total comprehensive income for the year	-	-	-	(165,680,386)	(165,680,386)
Balance as at 31 December 2020	347,105,404	3,633,007,963	51,970,000	54,113,739	4,086,197,106

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

Mono Next Public Company Limited

(formerly known as “Mono Technology Public Company Limited”) and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 Corporate information

Mono Next Public Company Limited (the “Company”) is a public company incorporated and domiciled in Thailand. On 20 August 2020, the Company registered a change of its company name with the Ministry of Commerce in accordance with a resolution passed by the Annual General Meeting of its shareholders on 10 August 2020, from “Mono Technology Public Company Limited” to “Mono Next Public Company Limited”.

On 29 June 2020, the Company registered a change of its registered office with the Ministry of Commerce to 29/9 Moo 4 Chaipruek Road, Tambon Bang Phlap, Pakkred District, Nonthaburi.

The Group is principally engaged in the following businesses:

- a) Media business, consisting of TV, online and subscribed streaming video
- b) Content and entertainment business, consisting of movie business, entertainment business, commerce and content arrangement business

1.2 COVID-19 pandemic

The COVID-19 pandemic is resulting in an economic slowdown and impacting the Group’s business activities. The Group’s management has monitored ongoing developments and amended its business plan to reflect the current circumstances. Moreover, the management has continuously assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and used estimates and judgement in respect of various matters as the situation has evolved.

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, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company and the following subsidiaries (collectively referred to as the “Group”).

Company name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u> (Percent)	<u>2019</u> (Percent)
<u>Held by the Company</u>				
Mono Cyber Company Limited (formerly known as “Mono Generation Company Limited”)	Production, distribution and provision of entertainment content services and general books, as well as provision of design and implementation services for online business	Thailand	100	100
Mono Shopping Company Limited (formerly known as “Mono Travel Company Limited”)	Agent of complete online shopping and home shopping, together with content 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, together with organisation of activities	Thailand	100	100
Mono Radio Broadcast Company Limited*	Radio station and broadcasting business	Thailand	-	100

Company name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u> (Percent)	<u>2019</u> (Percent)
Mono Talent Studio Company Limited**	Provision of actor and artist services and provision of entertainment content through all types of media	Thailand	100	100
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 game 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 Cyber Company Limited)**	Provision of entertainment content through various channels	Indonesia	99	99
Mono Technology Hong Kong Limited**	Provision of entertainment content through various channels	Hong Kong	100	100

Held by the subsidiaries

A subsidiary held by Mono Cyber Company Limited

Mono Streaming Company Limited (formerly known as “Mono Film Company Limited”)	Production and distribution of motion pictures, television programs, together with provision of entertainment content services	Thailand	100	100
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Subsidiaries held by Mono Production Company Limited

Company name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u> (Percent)	<u>2019</u> (Percent)
Mono Sport Entertainment Company Limited*	Organisation of sports events and all types of related activities, including management of sport teams and clubs	Thailand	-	100
Mono Broadcast Company Limited	Broadcasting and television business	Thailand	100	100

* Dissolved and completed its liquidation

** Dissolved and currently in process of liquidation

*** Approved to dissolve

On 29 June 2020, three subsidiaries registered the changes of their company names with the Ministry of Commerce from “Mono Film Company Limited”, “Mono Generation Company Limited” and “Mono Travel Company Limited” to “Mono Streaming Company Limited”, “Mono Cyber Company Limited” and “Mono Shopping Company Limited”, respectively.

On 16 December 2020, the Extraordinary General Meetings of shareholders of Mono Music Company Limited, Mono Radio Broadcast Company Limited, Mono Talent Studio Company Limited, T Moment Company Limited, Mono Play Company Limited, Mono Astro Company Limited and Mono Sport Entertainment Company Limited passed resolutions to dissolve the subsidiaries. The subsidiaries registered their dissolution with the Ministry of Commerce on the same date. Subsequently, Mono Radio Broadcast Company Limited, Mono Play Company Limited, Mono Astro Company Limited and Mono Sport Entertainment Company Limited registered the completion of their liquidation with the Ministry of Commerce on 28 December 2020. Moreover, on 30 November 2020, Mono Technology Hong Kong Limited registered its dissolution in accordance with a resolution passed by its Board of Directors meeting on the same date. In addition, on 13 August 2020, a meeting of the Company’s Board of Directors passed a resolution to dissolve Mono Radio Company Limited. The dissolution of these subsidiaries does not have any significant impact on the Group’s operations.

- b) The Group 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 Group 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 Group companies have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries and an associate under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were 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 Group’s financial statements. However, the new standard involves 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 entity'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.

These standards do not have any significant impact on the Group's financial statements.

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.

The cumulative effect of the change is described in Note 4 to the consolidated financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures on Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to use information relating to the COVID-19 situation to determine whether the Group has a present obligation arising from past events in estimating provisions.

The Group is evaluating the impact on the financial statements. The Group will consider recording the impact after the relief measures expire.

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the consolidated financial statements, during the current year, the Group has adopted TFRSs related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The changes in accounting policies do not have any impact on the balance of retained earnings as at 1 January 2020, but affect assets and liabilities in the statements of financial position as follows:

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020	31 December 2019	The impacts of TFRS 16	1 January 2020
Non-current assets						
Property, plant and equipment	713	10	723	22	2	24
Current liabilities						
Current portion						
of lease liabilities	22	5	27	1	1	2
Non-current liabilities						
Lease liabilities - net						
of current portion	16	5	21	1	1	2

On initial adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial adoption.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease and service commitments		
as at 31 December 2019	662	42
Less: Short-term leases and leases of low-value assets	(18)	(2)
Less: Option to terminate lease term	(9)	(9)
Less: Contracts reassessed as service agreements	(624)	(28)
Less: Deferred interest expenses	(1)	(1)
Increase in lease liabilities and right-of-use assets		
- office building space due to TFRS 16 adoption	10	2
Liabilities under finance lease agreements		
as at 31 December 2019	38	2
Lease liabilities as at 1 January 2020	48	4
Comprise of:		
Current portion of lease liabilities	27	2
Lease liabilities - net of current portion	21	2
	48	4
Weighted average incremental borrowing rate		
(percent per annum)	6	6

5. Significant accounting policies

5.1 Revenue and expense recognition

Revenues from advertising and services are recognised over the period of service, taking into account the stage of completion, which is determined based on comparison of the amount of service rendered as of the period-end with the total service to be rendered under the agreement.

Where royalties from 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.

Revenues from sales of goods are recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration receivable, excluding value-added tax, of goods supplied after deducting returns and discounts to customers.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Contract assets - accrued revenues” in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Group’s right to consideration is unconditional.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Contract liabilities - unearned revenues” in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Finance income

Finance income represents interest income on debt instruments measured at amortised cost, which is recognised on an accrual basis based on the effective interest rate.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest rate method and recognised on an accrual basis.

Dividends

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

5.2 Cash and cash equivalents

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

5.3 Inventories

Souvenirs are valued at the lower of cost (under the first-in, first-out method) and net realisable value.

Pocket books are valued at the lower of cost (under the specific identification method) and net realisable value. Goods expected to be returned are valued at the former cost (under the average method), less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

5.4 Investments

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.5 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	10 years
Furniture, fixtures and office equipment	5 years
Computer and equipment	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.

5.6 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.

5.7 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 Group 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 lives 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	5, 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

5.8 Related party transactions

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

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group's operations.

5.9 Leases

Accounting policies adopted since 1 January 2020

The Group recognises right-of-use assets and lease liabilities for all leases at the date the underlying asset is available for use (the commencement date of the lease), except for a lease that has a lease term less than or equal to 12 months or a lease of low-value assets, the Group recognises as expenses on a straight-line basis over the lease term.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made on or before the commencement date of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the lease term or their estimated useful lives if ownership of the leased asset is transferred to the Group at the end of the lease term.

Office building space	Lease term
Furniture, fixtures and office equipment	5 years
Computer and equipment	5 years
Motor vehicles	5 years

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change of the lease.

Accounting policies adopted before 1 January 2020

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

5.10 Foreign currencies

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

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

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

5.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the 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.

An impairment loss is recognised in profit and loss.

5.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats 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 defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.13 Provisions

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

5.14 Income tax

Income tax represents the sum of 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 Group recognises 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 Group reviews and reduces 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.15 Financial instruments

Accounting policies adopted since 1 January 2020

Financial assets are initially measured at fair value plus transaction costs, except for trade receivables that are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition, and classified as to be subsequently measured at amortised cost, using the effective interest rate ("EIR") method and subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or when the rights to receive cash flows, substantially all the risks and rewards, or control of the asset has been transferred.

At initial recognition, the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. The Group takes into account any fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included in finance cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Group's consideration of credit risk and default of contract is based on past due contractual payments and other internal or external information. An allowance for expected credit losses ("ECLs") on financial assets is recognised based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate of the financial assets. However, the Group applies a simplified approach in calculating ECLs for trade receivables and contract assets, based on its historical credit loss experience with adjustments to reflect forward-looking factors specific to the debtors and the economic environment.

Accounting policies adopted before 1 January 2020

Trade and other receivables

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

5.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

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

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately. The entity will allocate a portion of the transaction price to goods and services based on relative stand-alone selling prices.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time. Determination of whether performance obligations are satisfied over time is made based on the customer's receipt and consumption of the benefits, the characteristics of the assets derived from the performance and the Group's entitlement to payment for the work completed to date. In addition, in determining the revenues to be recognised over a particular period, the management is required to use judgement to measure the stage of completion to reflect the Group's performance in relation to the performance obligations to be completed. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Depreciation and amortisation

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

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset. These estimates are most relevant to property, plant and equipment, cost of spectrum license and other intangibles recognised by the Group.

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 from binding sales transactions for similar assets, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal, or the calculations are based on observable market prices less incremental costs of disposing of the asset.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. 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. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash-generating units are disclosed and further explained in Note 10.7 to the consolidated financial statements.

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.

7. Related party transactions

During the years, the Group 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 Group companies and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with the subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Revenue from contracts					
with customers	-	-	6	5	Contract price or as agreed upon
Dividend income	-	-	7	-	Announced rate
Interest income	-	-	36	19	6 percent (2019: 3 percent) per annum
Other income					
Management fees	-	-	99	143	Contract price
Office building space rental and service income	-	-	6	26	Contract price
Others	-	-	3	6	Contract price
Service revenue sharing payments	-	-	86	82	Contract price or as agreed upon
Marketing expenses	-	-	-	1	Contract price or as agreed upon
Rental and service expenses	-	-	3	2	Contract price or as agreed upon
Interest expenses	-	-	3	2	6 percent (2019: 3 percent) per annum
<u>Transactions with an associate</u>					
Revenue from contracts					
with customers	1	4	-	-	Contract price or as agreed upon
Other income	-	2	-	-	Contract price or as agreed upon
Cost of sales and services	2	3	-	-	Contract price or as agreed upon
<u>Transactions with related companies</u>					
Revenue from contracts					
with customers	250	51	36	6	Contract price or as agreed upon
Other income	8	-	-	-	Contract price
Cost of sales and services	17	12	3	3	Contract price or as agreed upon
Rental and service expenses	25	60	15	36	Contract price or as agreed upon
Other expenses	5	8	3	7	Contract price or as agreed upon
Purchases of intangible assets	2	13	-	-	Contract price or as agreed upon

The balances of the accounts between the Group companies and those related parties are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	3	21
Associate*	-	2	-	-
Related companies (related by common shareholders and directors)	135	15	35	3
Total trade receivables - related parties	<u>135</u>	<u>17</u>	<u>38</u>	<u>24</u>
<u>Accrued revenues - related parties</u>				
Subsidiaries	-	-	1	109
Associate*	-	1	-	-
Related companies (related by common shareholders and directors)	12	11	-	-
Total accrued revenues - related parties	<u>12</u>	<u>12</u>	<u>1</u>	<u>109</u>
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	23	377
Associate*	-	1	-	-
Total other receivables - related parties	<u>-</u>	<u>1</u>	<u>23</u>	<u>377</u>
<u>Deposits and retentions - related parties</u>				
Related companies (related by common shareholders and directors)	<u>7</u>	<u>7</u>	<u>6</u>	<u>6</u>
<u>Trade payables - related parties (Note 15)</u>				
Subsidiaries	-	-	69	43
Related companies (related by common shareholders and directors)	1	12	-	-
Total trade payables - related parties	<u>1</u>	<u>12</u>	<u>69</u>	<u>43</u>
<u>Other payables - related parties (Note 15)</u>				
Subsidiaries	-	-	63	22
Related companies (related by common shareholders and directors)	22	58	17	45
Total other payables - related parties	<u>22</u>	<u>58</u>	<u>80</u>	<u>67</u>

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Accrued expenses - related parties (Note 15)</u>					
Subsidiaries		-	-	3	3
Related companies (related by common shareholders and directors)		7	13	1	1
Total accrued expenses - related parties		<u>7</u>	<u>13</u>	<u>4</u>	<u>4</u>
<u>Accounts payable for purchases of assets - related parties (Note 15)</u>					
Related company (related by common shareholders and directors)		<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Unearned revenues - related parties</u>					
Related companies (related by common shareholders and directors)		<u>1</u>	<u>19</u>	<u>-</u>	<u>-</u>

* Dissolved and completed its liquidation during the year.

Loans to and interest receivable from subsidiaries

The balances and movements of loans to and interest receivable from subsidiaries are as follows:

		(Unit: Million Baht)			
		Separate financial statements			
		Balance as at			Balance as at
		31 December	Increase	Decrease	31 December
		<u>2019</u>	<u>during the year</u>	<u>during the year</u>	<u>2020</u>
Mono Cyber Company Limited		38	-	(38)	-
Mono Production Company Limited		122	-	-	122
Mono Info Systems Company Limited		20	-	(6)	14
PT Mono Technology Indonesia		12	-	-	12
Mono Radio Company Limited		8	-	(8)	-
Mono Radio Broadcast Company Limited		5	-	(5)	-
Mono Broadcast Company Limited		430	48	-	478
Total		<u>635</u>	<u>48</u>	<u>(57)</u>	<u>626</u>
Less: Allowance for expected credit losses		<u>(12)</u>	<u>(12)</u>	<u>-</u>	<u>(24)</u>
Loans to subsidiaries - net		<u>623</u>	<u>36</u>	<u>(57)</u>	<u>602</u>

The Company has loans to subsidiaries in the form of promissory notes, which are unsecured, carry interest at a rate of 6 percent (2019: 3 percent) per annum, payable on a quarterly basis, and repayment of Baht 444 million of principal is to be made from January 2025, and Baht 122 million is to be made from June 2025 (2019: On demand). However, interest until June 2024 of principal amounting to Baht 430 million is payable from July 2024 to 31 December 2024.

Set out below is the movement in the allowance for expected credit losses of loans to and interest receivable from subsidiaries.

	(Unit: Million Baht)
	Separate financial statements
As at 1 January 2020	12
Expected credit losses	12
As at 31 December 2020	24

Short-term loan from a subsidiary

During the year, the Company entered into a set-off agreement with Mono Technology Hong Kong Limited to offset a loan of USD 1.6 million in the form of a promissory note with return of capital on reduction. The loan is unsecured, carries interest at a rate of 6 percent (2019: 3 percent) per annum, and is repayable within one year.

Directors and management's benefits

During the years, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	34	47	25	30
Post-employment benefits	13	19	10	14
Total	47	66	35	44

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 30.2 a) to the consolidated financial statements.

8. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade receivables - related parties (Note 7)	135	17	38	24
Trade receivables - unrelated parties	115	108	6	16
Other receivables - related parties (Note 7)	-	1	23	377
Other receivables - unrelated parties	4	24	-	2
Total	254	150	67	419
Less: Allowance for expected credit losses	(9)	(8)	-	-
Trade and other receivables - net	<u>245</u>	<u>142</u>	<u>67</u>	<u>419</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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties</u>				
Not yet due	23	5	3	3
Past due				
Up to 3 months	92	10	35	5
3-6 months	20	2	-	3
6-12 months	-	-	-	3
Over 12 months	-	-	-	10
Total trade receivables - related parties	<u>135</u>	<u>17</u>	<u>38</u>	<u>24</u>
<u>Trade receivables - unrelated parties</u>				
Not yet due	65	66	5	14
Past due				
Up to 3 months	38	36	1	2
3-6 months	2	5	-	-
6-12 months	1	8	-	-
Over 12 months	29	21	-	-
Total	<u>135</u>	<u>136</u>	<u>6</u>	<u>16</u>
Less: Allowance for sales return	(20)	(28)	-	-
Less: Allowance for expected credit losses	(9)	(8)	-	-
Total trade receivables - unrelated parties - net	<u>106</u>	<u>100</u>	<u>6</u>	<u>16</u>
Total trade receivables - net	<u>241</u>	<u>117</u>	<u>44</u>	<u>40</u>

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Million Baht)
	Consolidated financial statements
As at 1 January 2020	8
Expected credit losses	10
Amount written off	(9)
As at 31 December 2020	9

9. Inventories

	(Unit: Million Baht)					
	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	2	12	-	(4)	2	8
Work in process	-	1	-	-	-	1
Goods expected to be returned	6	7	-	-	6	7
Total	8	20	-	(4)	8	16

During the year, a subsidiary reversed the write-down of cost of inventories by Baht 1 million, and reduced the amount of inventories recognised as expenses during the year (2019: reduced cost of inventories by Baht 1 million, to reflect the net realisable value, and this was included in cost of sales).

10. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Separate financial statements			
	Paid-up capital		Cost	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Mono Cyber Company Limited	1,227	982	1,147	902
Mono Shopping Company Limited	20	20	9	9
Mono Info Systems Company Limited	8	8	8	8
Mono Production Company Limited	2,330	1,950	2,330	1,950
Mono Music Company Limited	27	27	123	123
Mono Radio Company Limited	20	20	100	100
Mono Radio Broadcast Company Limited	-	-	-	-
Mono Talent Studio Company Limited	8	8	25	25
T Moment Company Limited	29	115	66	115
Mono Play Company Limited	-	12	-	12
Mono Astro Company Limited	-	5	-	5
PT Mono Technology Indonesia	4	4	4	4
Mono Technology Hong Kong Limited	32	107	31	107
Total			3,843	3,360
Less: Allowance for impairment of investments			(298)	(135)
Total investments in subsidiaries - net			<u>3,545</u>	<u>3,225</u>

During the year, the Company received a dividend of Baht 7 million from Mono Talent Studio Company Limited.

- 10.1 In August 2020, the Company paid in registered share capital of Mono Production Company Limited ("Mono Production") in accordance with the resolution passed by Mono Production's Board of Directors meeting on 11 August 2020 to call up a further Baht 70 million share capital (with registered share capital being fully called up), and made a payment of Baht 310 million for additional shares of Mono Production, in accordance with a resolution passed by the Extraordinary General Meeting of Mono Production's shareholders on 26 August 2020, to increase the registered share capital from Baht 2,020 million (20.2 million ordinary shares with a par value of Baht 100 each) to Baht 2,330 million (23.3 million ordinary shares with a par value of Baht 100 each). Mono Production registered the increase in share capital with the Ministry of Commerce on 27 August 2020. This increase in share capital does not have any impact on the Company's interest in Mono Production.

10.2 On 26 August 2020, Mono Production made a payment of Baht 300 million for additional shares of Mono Broadcast Company Limited (“Mono Broadcast”), in accordance with a resolution passed by the Extraordinary General Meeting of Mono Broadcast’s shareholders on 26 August 2020, to increase the registered share capital from Baht 1,400 million (140 million ordinary shares with a par value of Baht 10 each) to Baht 1,700 million (170 million ordinary shares with a par value of Baht 10 each). Mono Broadcast registered the increase in share capital with the Ministry of Commerce on 27 August 2020. This increase in share capital does not have any impact on the Group’s interest in Mono Broadcast.

10.3 During the year, T Moment Company Limited cancelled 1.5 million ordinary shares in accordance with a resolution passed by an Extraordinary General Meeting of its shareholders on 18 September 2020 to decrease its registered share capital by Baht 150 million, from Baht 200 million (2 million ordinary shares with a par value of Baht 100 each) to Baht 50 million (0.5 million ordinary shares with a par value of Baht 100 each). As a result, called-up capital decreased by Baht 86.25 million, from Baht 115 million (2 million ordinary shares with a par value of Baht 100 each, 57.5 percent paid-up) to Baht 28.75 million (0.5 million ordinary shares with a par value of Baht 100 each, 57.5 percent paid-up). The reduction of capital was made to eliminate deficit of Baht 37 million and return capital of Baht 49 million to the Company. The subsidiary registered the corresponding decrease in share capital with the Ministry of Commerce on 29 October 2020.

In addition, as discussed in Note 2.2 a) to the consolidated financial statements, during the year, the Company received cash returns of capital totaling Baht 6 million from Mono Radio Broadcast Company Limited, Mono Play Company Limited and Mono Astro Company Limited.

10.4 On 27 November 2020, the Company made a payment of Baht 245 million for additional shares of Mono Cyber Company Limited (“Mono Cyber”), in accordance with a resolution passed by the Extraordinary General Meeting of Mono Cyber’s shareholders on 26 November 2020, to increase the registered share capital from Baht 982 million (9,820,000 ordinary shares with a par value of Baht 100 each) to Baht 1,227 (12,270,000 ordinary shares with a par value of Baht 100 each). Mono Cyber registered the increase in share capital with the Ministry of Commerce on 27 November 2020. This increase in share capital does not have any impact on the Company’s interest in Mono Cyber.

10.5 On 27 November 2020, Mono Cyber made a payment of Baht 245 million for additional shares of Mono Streaming Company Limited (“Mono Streaming”), in accordance with a resolution passed by the Extraordinary General Meeting of Mono Streaming’s shareholders on 26 November 2020, to increase the registered share capital from Baht 871 million (8,710,000 ordinary shares with a par value of Baht 100 each) to Baht 1,116 (11,160,000 ordinary shares with a par value of Baht 100 each). Mono Streaming registered the increase in share capital with the Ministry of Commerce on 27 November 2020. This increase in share capital does not have any impact on the Group’s interest in Mono Streaming.

- 10.6 As discussed in Notes 2.2 a) and 7 to the consolidated financial statements, on 31 December 2020, the Company entered into a set-off agreement with Mono Technology Hong Kong Limited to offset a loan with return of capital on reduction of called-up capital, amounting to Baht 75 million.
- 10.7 As at 31 December 2020, the net asset value of the subsidiaries was Baht 334 million (2019: Baht 302 million) lower than the carrying amount of the investments in the separate financial statements. During the year, the Company amended its business plan to cope with the current circumstances, including the discontinuation of the operations of certain subsidiaries. As a result, the Company assessed the recoverable amounts of its investments in subsidiaries based on the higher of the calculated fair value less costs to sell and the value-in-use, calculated using cash flow projections that were prepared with reference to the financial estimates approved by management. Significant assumptions included those regarding revenue growth rates and discount rates. It was concluded that the recoverable amounts of the investments in subsidiaries were lower than the carrying amounts, by amounts totaling Baht 175 million (2019: Baht 73 million). The Company therefore recognised allowance for impairment losses on these investments in subsidiaries in profit or loss in the separate financial statements of the current year. The Company's management believes that the allowance for impairment of investments in subsidiaries is sufficient under the current circumstances.

Key assumptions used in value in use calculations relate to the discount rates and revenue growth rates, which the Company's management applied at 7.30-8.41 percent and 2-97 percent (2019: 8.53-10.17 percent and 0-55 percent), respectively. The Company's management believes that any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts to exceed their recoverable amounts.

11. Property, plant and equipment

	(Unit: million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net book value:				
Property, plant and equipment	613,639	712,972	5,689	21,706
Right-of-use assets (Note 19.1)	38,764	-	1,509	-
Total	<u>652,403</u>	<u>712,972</u>	<u>7,198</u>	<u>21,706</u>

Movements of property, plant and equipment for the years are summarised below.

(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 2019	259	386	259	304	28	6	1,242
Additions	-	1	39	11	10	21	82
Disposals	-	(3)	(4)	(4)	(2)	-	(13)
Transfers	-	7	2	-	-	(9)	-
31 December 2019	259	391	296	311	36	18	1,311
Transfers to right-of-use assets (Note 19.1)	-	-	(29)	(23)	(7)	-	(59)
Additions	-	7	11	4	-	25	47
Disposals	-	(71)	(21)	(57)	(17)	-	(166)
Transfers	-	42	1	-	-	(43)	-
31 December 2020	259	369	258	235	12	-	1,133
Accumulated depreciation:							
1 January 2019	4	84	178	230	14	-	510
Depreciation for the year	2	25	39	30	1	-	97
Depreciation on disposals	-	(1)	(3)	(4)	(1)	-	(9)
31 December 2019	6	108	214	256	14	-	598
Transfers to right-of-use assets (Note 19.1)	-	-	(6)	(7)	(2)	-	(15)
Depreciation for the year	1	24	23	14	2	-	64
Depreciation on disposals	-	(51)	(13)	(52)	(11)	-	(127)
31 December 2020	7	81	218	211	6	-	520

(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
Allowance for impairment loss:							
1 January 2019	-	-	-	-	-	-	-
31 December 2019	-	-	-	-	-	-	-
Increase	-	19	-	-	-	-	19
Decrease	-	(19)	-	-	-	-	(19)
31 December 2020	-	-	-	-	-	-	-
Net book value:							
31 December 2019	253	283	82	55	22	18	713
31 December 2020	252	288	40	24	9	-	613
Depreciation for the year							
2019 (Baht 71 million included in cost of services, and the balance in administrative expenses)							97
2020 (Baht 53 million included in cost of services, and the balance in administrative expenses)							64

(Unit: Million Baht)

Separate financial statements

	Leasehold improvement	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Total
Cost:					
1 January 2019	36	31	112	7	186
Additions	-	-	3	-	3
Disposals	-	(1)	(1)	(1)	(3)
Transfers	-	1	-	-	1
31 December 2019	36	31	114	6	187
Transfers to right-of-use assets (Note 19.1)	-	-	(2)	-	(2)
Additions	-	-	1	-	1
Disposals	(36)	(5)	(28)	(6)	(75)
31 December 2020	-	26	85	-	111

(Unit: Million Baht)

	Separate financial statements				
	Leasehold improvement	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Total
Accumulated depreciation:					
1 January 2019	24	28	99	5	156
Depreciation for the year	4	1	8	-	13
Depreciation on disposals	-	(1)	(2)	(1)	(4)
31 December 2019	28	28	105	4	165
Depreciation for the year	2	1	4	-	7
Depreciation on disposals	(30)	(5)	(27)	(4)	(66)
31 December 2020	-	24	82	-	106
Allowance for impairment loss:					
1 January 2019	-	-	-	-	-
31 December 2019	-	-	-	-	-
Increase	7	-	-	-	7
Decrease	(7)	-	-	-	(7)
31 December 2020	-	-	-	-	-
Net book value:					
31 December 2019	8	3	9	2	22
31 December 2020	-	2	3	-	5
Depreciation for the year					
2019 (Baht 2 million included in cost of services, and the balance in administrative expenses)					13
2020 (Baht 1 million included in cost of services, and the balance in administrative expenses)					7

As at 31 December 2020, certain items of equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 296 million (2019: Baht 321 million) (the Company only: Baht 94 million (2019: Baht 113 million)).

A subsidiary has mortgaged land with structures thereon with a net book value of Baht 545 million (2019: Baht 520 million) as collateral against a long-term loan facility of Baht 519 million from a bank.

12. Intangible assets

(Unit: Million Baht)

Consolidated financial statements						
	Website copyright	Films, music and video copyright	Other copyright	Program computer	Advance payments and work in process	Total
Cost:						
1 January 2019	83	2,630	423	89	733	3,958
Additions	-	3	63	2	793	861
Disposals	-	(838)	(4)	-	(1)	(843)
Transfers	-	1,035	139	3	(1,178)	(1)
31 December 2019	83	2,830	621	94	347	3,975
Additions	-	25	2	2	984	1,013
Disposals	-	(1,024)	(20)	(24)	(1)	(1,069)
Transfers	-	1,050	56	1	(1,107)	-
31 December 2020	83	2,881	659	73	223	3,919
Accumulated amortisation:						
1 January 2019	47	1,106	149	51	-	1,353
Amortisation for the year	7	1,048	77	14	-	1,146
Amortisation on disposals	-	(838)	(4)	-	-	(842)
31 December 2019	54	1,316	222	65	-	1,657
Amortisation for the year	2	1,142	85	8	-	1,237
Amortisation on disposals	-	(1,009)	(13)	(23)	-	(1,045)
31 December 2020	56	1,449	294	50	-	1,849
Allowance for impairment loss:						
1 January 2019	13	12	4	-	3	32
Increase during the year	-	1	2	-	-	3
31 December 2019	13	13	6	-	3	35
Increase during the year	11	-	5	1	1	18
Decrease during the year	-	(13)	(7)	-	(4)	(24)
31 December 2020	24	-	4	1	-	29
Net book value:						
31 December 2019	16	1,501	393	29	344	2,283
31 December 2020	3	1,432	361	22	223	2,041
Amortisation for the year						
2019 (Baht 1,142 million included in cost of services, and the balance in administrative expenses)						1,146
2020 (Baht 1,220 million included in cost of services, and the balance in administrative expenses)						1,237

(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 2019	11	75	24	3	113
Additions	-	-	1	5	6
Transfers	-	6	-	(7)	(1)
31 December 2019	11	81	25	1	118
Additions	-	-	1	1	2
Disposals	(11)	(81)	(5)	(1)	(98)
Transfers	-	-	1	(1)	-
31 December 2020	-	-	22	-	22
Accumulated amortisation:					
1 January 2019	5	16	12	-	33
Amortisation for the year	2	12	3	-	17
31 December 2019	7	28	15	-	50
Amortisation for the year	-	4	3	-	7
Amortisation on disposals	(7)	(32)	(5)	-	(44)
31 December 2020	-	-	13	-	13
Allowance for impairment loss:					
1 January 2019	1	11	-	-	12
31 December 2019	1	11	-	-	12
Increase during the year	-	-	-	1	1
Decrease during the year	(1)	(11)	-	(1)	(13)
31 December 2020	-	-	-	-	-
Net book value:					
31 December 2019	3	42	10	1	56
31 December 2020	-	-	9	-	9
Amortisation for the year					
2019 (Baht 13 million included in cost of services, and the balance in administrative expenses)					17
2020 (Baht 4 million included in cost of services, and the balance in administrative expenses)					7

13. Cost of spectrum license

Mono Broadcast Company Limited ("Mono 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). Mono 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. (As at 31 December 2020, Mono Broadcast had cost of spectrum license of the minimum bid price payable amounting to Baht 19 million (2019: Baht 19 million).)
- 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. (As at 31 December 2020, Mono Broadcast had the portion of cost of spectrum license in excess of the minimum bid price payable amounting to Baht 187 million (2019: Baht 187 million).)

Mono 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, Mono 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 Mono Broadcast must pay a monthly service fee as stipulated in the agreement.

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 above order of the Head of National Council for Peace and Order, the licensees are required to fully settle the remaining amounts within 120 days from the date on which the order is effective. Subsequently, on 17 June 2019, Mono Broadcast received a letter from the Office of NBTC informing Mono Broadcast to make payment of the remaining amounts within 8 August 2019. If it did not make full settlement within the due date, interest would need to be paid at a rate of 7.5 percent per annum. However, payment must not be later than 23 May 2021. Mono Broadcast has not yet made payment of the remaining amounts.

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

	(Unit: Million Baht)	
	Consolidated financial statements	
	Cost of spectrum license	Cost of spectrum license and interest payable (Note 18)
Balance as at 1 January 2019	1,328	851
Amortisation / Amortisation of deferred interest expenses and interest expenses for the year	(81)	15
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 31 December 2019	593	212
Amortisation / Amortisation of deferred interest expenses and interest expenses for the year	(64)	16
Balance as at 31 December 2020	529	228

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

	(Unit: Million Baht)	
	Consolidated financial statements	
	2020	2019
Cost	1,278	1,278
Less: Accumulated amortisation	(749)	(685)
Net book value	529	593

14. Bank overdrafts and short-term loans from banks

Bank overdrafts and short-term loans from banks of the Group, on which interest is charged at a rate close to the Minimum Overdraft Rate and Minimum Loan Rate, respectively, are secured by the Group.

15. Trade and other payables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties (Note 7)	1	12	69	43
Trade payables - unrelated parties	16	61	2	19
Other payables - related parties (Note 7)	22	58	80	67
Other payables - unrelated parties	44	89	5	12
Accrued expenses - related parties (Note 7)	7	13	4	4
Accrued expenses - unrelated parties	52	89	5	7
Accounts payable for purchases of assets				
- related parties (Note 7)	9	-	-	-
Accounts payable for purchases of assets				
- unrelated parties	<u>346</u>	<u>36</u>	<u>-</u>	<u>-</u>
Total trade and other payables	<u>497</u>	<u>358</u>	<u>165</u>	<u>152</u>

16. Short-term loans from an unrelated party

The balance represents loans from an unrelated party of the subsidiaries in the form of promissory notes, which are unsecured and carry interest at a fixed rate stipulated in the agreements. The loans are repayable on demand.

17. Long-term loans from banks

			(Unit: Million Baht)	
			Consolidated	
			financial statements	
Loan	Interest rate	Repayment schedule	2020	2019
	(Percent)			
1	Reference to Minimum Loan Rate (MLR)	Monthly basis in 36 installments, from 30 June 2022 to 20 June 2025	116	134
2	Reference to Minimum Loan Rate (MLR)	Monthly basis in 23 installments, from 30 June 2022 to 7 May 2024	192	200
3	Reference to Minimum Loan Rate (MLR)	Monthly basis in 36 installments, from 30 July 2021 to 20 June 2024	1,150	1,200
4	Reference to Minimum Loan Rate (MLR)	Monthly basis in 24 installments, from 31 August 2021 to 3 July 2023	250	-
Total			1,708	1,534
Less: Deferred front-end fees			(6)	-
Long-term loans from banks - net			1,702	1,534
Less: Current portion			(199)	(301)
Long-term loans from banks - net of current portion			1,503	1,233

Movements in the long-term loan from bank account during the year are summarised below.

		(Unit: Million Baht)
		Consolidated
		financial statements
Balance as at 1 January 2020		1,534
Add: Additional borrowings		250
Less: Payment of front-end fees		(7)
Less: Repayment		(76)
Add: Amortisation of front-end fees		1
Balance as at 31 December 2020		1,702

The subsidiaries' loans are secured by the mortgage of a subsidiary's land with structures thereon, the pledge of the subsidiary's savings account, the assignment of rights to receive all space service income via that savings account, and the provision of guarantees by the Company.

The loan agreements stipulate certain performance requirements and covenants, related to matters such as the maintenance of certain debt-to-equity ratios and debt service coverage ratios prescribed in the agreements, maintenance of the shareholdings of current shareholders, and the Baht 300 million increase in the share capital of Mono Broadcast, which the Group has already completed as discussed in Note 10.2 to the consolidated financial statements. Moreover, on 13 August 2020, a subsidiary received a letter from lender, waiving the requirement to maintain the stipulated debt-to-equity ratio.

18. Cost of spectrum license and interest payable

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Cost of spectrum license payable	206	206
Add: Interest payable	<u>22</u>	<u>6</u>
Total	228	212
Less: Portion due within one year	<u>(228)</u>	<u>-</u>
Cost of spectrum license and interest payable - net		
of current portion	<u>-</u>	<u>212</u>

Cost of spectrum license and interest payable are required to be settled in full by 23 May 2021, as described in Note 13 to the consolidated financial statements.

19. Leases

The Group as a lessee has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1-4 years.

19.1 Right-of-use assets

(Unit: Million Baht)

	Consolidated financial statements				
	Office building space	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Total
1 January 2020 (Note 4)	10	-	-	-	10
Transfers from property, plant and equipment (Note 11)	-	23	16	5	44
Additions	2	2	3	-	7
Terminations	(7)	-	-	-	(7)
Depreciation for the year	(3)	(6)	(5)	(1)	(15)
31 December 2020	2	19	14	4	39

(Unit: Million Baht)

	Separate financial statements		
	Office building space	Computer and equipment	Total
1 January 2020 (Note 4)	2	-	2
Transfers from property, plant and equipment (Note 11)	-	2	2
Terminations	(1)	-	(1)
Depreciation for the year	(1)	-	(1)
31 December 2020	-	2	2

19.2 Lease liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lease payments	26	40	1	2
Less: Deferred interest expenses	(1)	(2)	-	-
Total	25	38	1	2
Less: Portion due within one year	(16)	(22)	(1)	(1)
Lease liabilities - net of current portion	<u>9</u>	<u>16</u>	<u>-</u>	<u>1</u>

As at 31 December 2020, the Group's weighted average incremental borrowing rate is 6 percent (the Company only: 6 percent) per annum.

19.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Million Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	15	1
Interest expense on lease liabilities	2	-
Expense relating to short-term leases	1	1

19.4 Others

The Group had total cash outflows for leases for the year 2020 of Baht 54 million (the Company only: Baht 15 million), including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 11 million (2019: Baht 29 million) (the Company only: Nil (2019: Baht 2 million)).

20. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits				
at beginning of year	86	52	42	22
Included in profit or loss:				
Current service cost	9	10	4	3
Interest cost	2	3	1	1
Past service costs and losses on settlement	28	29	6	15
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	1	-	1
Financial assumptions changes	15	5	5	2
Experience adjustments	(15)	6	(8)	3
Benefits paid during the year	(42)	(20)	(11)	(10)
Transfers employees between Group companies	(5)	-	(11)	5
Provision for long-term employee benefits at end of year	<u>78</u>	<u>86</u>	<u>28</u>	<u>42</u>

In 2019, the Group recorded additional long-term employee benefit liabilities of Baht 18 million (The Company only: Baht 8 million) as a result of the additional legal severance pay rates announced under the Labor Protection Act (No. 7) B.E. 2562, by recognising as expenses for the year 2019.

The Group expects not to pay long-term employee benefits during the next year (2019: Baht 2 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit was 16 years (2019: 17 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	Consolidated/Separate financial statements	
	<u>2020</u>	<u>2019</u>
Discount rate	1.90	3.25
Salary increase rate	5.25	5.25

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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate				
Increase 50 basis points	(6)	(6)	(2)	(3)
Decrease 50 basis points	8	7	3	4
Salary increase rate				
Increase 100 basis points	14	15	5	8
Decrease 100 basis points	(12)	(13)	(4)	(7)

21. Share capital

	Ordinary			Registration date
	shares	Issued and	Premium on	
	(Baht 0.1	fully paid-up	ordinary	
	per share)	share capital	shares	
	(Share)	(Baht)	(Baht)	
Balance as at 1 January 2019	3,471,029,658	347,102,966	3,632,950,329	
On 17 October 2019, the Company allotted additional ordinary shares as a result of the exercise of warrants to purchase newly issued ordinary shares	24,380	2,438	57,634	22 October 2019
Balance as at 31 December 2019	<u>3,471,054,038</u>	<u>347,105,404</u>	<u>3,633,007,963</u>	
Balance as at 31 December 2020	<u>3,471,054,038</u>	<u>347,105,404</u>	<u>3,633,007,963</u>	

On 10 August 2020, the 2020 Annual General Meeting of the Company's shareholders passed a resolution to approve a decrease of Baht 139 million in the Company's registered share capital, from Baht 486,299,998 (4,862,999,975 ordinary shares with a par value of Baht 0.1 each) to Baht 347,105,404 (3,471,054,038 ordinary shares with a par value of Baht 0.1 each) by cancelling 1,391,945,937 unissued ordinary shares with a par value of Baht 0.1 each to accommodate the exercise of warrants (MONO-W1) which expired on 17 October 2019. The Company registered the decrease in share capital with the Ministry of Commerce on 20 August 2020.

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. Revenue from contracts with customers

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Type of goods or service:				
Advertising services	1,215	1,784	41	80
Subscription services	241	136	53	97
Content services	189	230	42	14
Total revenue from contracts with customers	<u>1,645</u>	<u>2,150</u>	<u>136</u>	<u>191</u>

24. Finance cost

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	103	92	4	3
Interest expenses on lease liabilities	2	3	-	-
Interest expenses on cost of spectrum license payable	15	15	-	-
Total	<u>120</u>	<u>110</u>	<u>4</u>	<u>3</u>

25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries, wages and other employee benefits	355	547	63	139
Cost of mobile value-added services	3	9	23	58
Depreciation and amortisation	1,380	1,243	15	29
Advertising and sales promotion expenses	156	269	2	9
Utilities expenses	150	76	15	34

26. Income tax

Income tax for the years is made up as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current tax:				
Current income tax charge	2	1	-	-
Withholding tax written off	15	1	2	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(65)	(55)	(1)	-
Tax expenses (income) reported in profit or loss	<u>(48)</u>	<u>(53)</u>	<u>1</u>	<u>-</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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax on actuarial gain (loss)	-	(2)	1	(1)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting loss before tax	(710)	(669)	(166)	(114)
Applicable tax rate (percent)	20	20	20	20
Accounting loss before tax multiplied by income tax rate	(142)	(134)	(33)	(23)
Withholding tax written off	15	1	2	-
Utilisation of previously unrecognised tax losses	(3)	(3)	(1)	-
Effects of reversal of temporary differences				
and tax loss recognised in the past	(144)	23	-	-
Effects of eliminating entries on the consolidated				
financial statements	(93)	40	-	-
Effects of:				
Non-deductible expenses	1	-	-	-
Additional expense deductions allowed	(3)	(3)	-	-
Tax loss for the year for which a deferred tax asset				
was not recognised	322	34	34	23
Tax loss for the prior year for which a deferred tax				
asset was recognized during the year	(1)	-	(1)	-
Temporary differences relating to the waiver				
of the payment of the spectrum license fee				
for which deferred tax assets were recognised				
(Note 13)	-	(11)	-	-
Tax expenses (income) reported in profit or loss	(48)	(53)	1	-

The tax rates enacted at the end of the reporting period of the subsidiaries in overseas countries are between 16.5 and 25 percent (2019: 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		Statements of	
	of financial position		comprehensive income	
	As at 31 December		For the years ended	
	31 December		31 December	
	2020	2019	2020	2019
Deferred tax assets (liabilities)				
Accumulated amortisation - intangible assets	7	4	2	12
Cost of spectrum license	144	161	(17)	138
Provision for long-term employee benefits	12	11	2	4
Unused tax loss	198	119	79	(96)
Others	-	-	-	(1)
Deferred tax relating to origination and reversal of temporary differences			66	57
Deferred tax assets - net	361	295		
Presented as follows:				
Deferred tax assets	364	301		
Deferred tax liabilities	(3)	(6)		
	361	295		

	(Unit: Million Baht)			
	Separate financial statements			
	Statements		Statements of	
	of financial position		comprehensive income	
	As at 31 December		For the years ended	
	31 December		31 December	
	2020	2019	2020	2019
Deferred tax assets (liabilities)				
Accumulated amortisation - intangible assets	-	(1)	1	-
Provision for long-term employee benefits	6	6	-	1
Unused tax loss	8	8	-	-
Deferred tax relating to origination and reversal of temporary differences			1	1
Deferred tax assets - net	14	13		

As at 31 December 2020, the Group had deductible temporary differences and unused tax losses totaling Baht 866 million (2019: Baht 996 million) (the Company only: Baht 93 million (2019: Baht 124 million)), on which deferred tax assets have not been recognised as the Group believes that 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 805 million will expire by 2025.

27. Loss per share

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

The following table sets forth the computation of basic loss per share:

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Loss attributable to equity holders of the Company (million Baht)	(661)	(616)	(168)	(114)
Weighted average number of ordinary shares (million shares)	3,471	3,471	3,471	3,471
Basic loss per share (Baht)	(0.19)	(0.18)	(0.05)	(0.03)

Since the conversion to ordinary shares of the warrants would decrease loss per share (anti-diluted). Therefore, the Company does not present diluted earnings per share.

28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and its employees contribute to the fund monthly at rates of between 3 and 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 2020 amounting to Baht 12 million (2019: Baht 19 million) (the Company only: Baht 4 million (2019: Baht 6 million)) were recognised as expenses.

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 Group's 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 (loss) information regarding the Group's operating segments for the years.

(Unit: Million Baht)

	Media business		Content and entertainment business		Adjustments and eliminations		Consolidation	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Sales and service income								
Revenues from external customers	1,456	1,919	189	231	-	-	1,645	2,150
Inter-segment revenues	-	-	145	675	(145)	(675)	-	-
Total revenues	<u>1,456</u>	<u>1,919</u>	<u>334</u>	<u>906</u>	<u>(145)</u>	<u>(675)</u>	<u>1,645</u>	<u>2,150</u>
Segment profit (loss)	149	495	(234)	(308)			(85)	187
Unallocated income and expenses:								
Other income							48	34
Selling and servicing expenses							(163)	(282)
Administrative and other expenses							(389)	(499)
Share of profit from investment								
in an associate							-	1
Finance cost							(120)	(110)
Tax income							48	53
Loss for the year							<u>(661)</u>	<u>(616)</u>

The Group has revenues from 1 major customers, arising from the media business (2019: 2 major customers, arising from the media business and the content and entertainment business).

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2020, the subsidiaries had capital commitments of Baht 708 million (2019: Baht 660 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 2,153 million (2019: Baht 1,775 million).
- b) The subsidiaries have guaranteed bank credit facilities of the Company amounting to Baht 35 million (2019: Baht 35 million).
- c) As at 31 December 2020, the Group had outstanding bank guarantees of Baht 235 million and USD 13 million (2019: Baht 237 million and USD 6 million) (the Company only: Baht 3 million (2019: Baht 3 million)) issued by banks on behalf of the Group to guarantee contractual performance. The bank guarantees are secured by guarantees provided by the Group and pledges of its saving deposits.

30.3 Service commitments

As at 31 December 2020, the subsidiaries had outstanding payment commitments in respect of service agreements amounting to Baht 190 million. The terms of the agreements were generally between 1 and 8 years.

31. Financial instruments

31.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and bank deposits, trade and other receivables, accrued revenues, loans, trade and other payables, and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, outstanding trade receivables and other financial instruments are regularly monitored. However, the Group is exposed to concentrations of credit risk with respect to receivables because the Group has a few major customers who are in the same industry.

At each reporting date, the Group determines expected credit losses on the basis of an aging profile of outstanding debts for customer groups with similar credit risks, or on the basis of the cash flows that the Group expects to receive, discounted at the effective interest rate.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its loans and borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

An increase or decrease of 0.25 percent in the interest rates of the Group's floating rate borrowings, assuming that the principals as at 31 December 2020 and all other variables remain constant over one year, would result in a respective decrease or increase of Baht 4 million in the Group's profit before tax. This information is not a forecast or prediction of future market conditions.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading or service transactions and loans or borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Kyat	11	4	5	-	0.0228	0.0203
US dollar	-	-	6	6	31.2937	30.1540

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Kyat	11	4	5	-	0.0228	0.0203

An increase or decrease of 5 percent in US dollar exchange rate, with all other variables held constant, would result in a respective decrease of increase of Baht 1 million in the Group's profit before tax (the Company only: Baht 1 million), as a result of changes in the values of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material and this information is not a forecast or prediction of future market conditions.

Liquidity risk

The Group manages its liquidity risk through the use of overdrafts, loans and lease contracts. The Group can access a sufficient variety of funding sources and is able to roll over debt maturing within 12 months.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Less than		
	1 year	1 to 5 years	Total
Trade and other payables	497	-	497
Short-term loans	136	-	136
Long-term loans	307	1,570	1,877
Cost of spectrum license and interest payable	234	-	234
Lease liabilities	18	10	28
Total	1,192	1,580	2,772

As at 31 December 2020, the Group's financial liabilities of Baht 235 million are payable on demand and the Company's financial liabilities of Baht 181 million are payable less than one year.

31.2 Fair values of financial instruments

Since the majority of the Group's 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 Group's 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 2020, the Group's debt-to-equity ratio was 2.27:1 (2019: 1.26:1) and the Company's was 0.05:1 (2019: 0.07:1).

33. Events after the reporting period

On 24 February 2021, the Company's Board of Directors meeting passed a resolution to increase its registered share capital by Baht 34.7 million, from Baht 347,105,404 (3,471,054,038 ordinary shares of Baht 0.1 each) to Baht 381,805,404 (3,818,054,038 ordinary shares of Baht 0.1 each), through the issue and allocation of not more than 347 million additional ordinary shares with a par value of Baht 0.1 each under a general mandate to private placement offerings. The investors are not to be related parties.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.