

CMO PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES AND JOINT VENTURES  
FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014

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## **Auditor's Report**

**To the Board of Directors and Shareholders of CMO Public Company Limited and its subsidiaries and joint ventures:**


I have audited the accompanying consolidated and separate financial statements of CMO Public Company Limited and its subsidiaries and joint ventures and of CMO Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2014, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. 

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of CMO Public Company Limited and its subsidiaries and joint ventures and of CMO Public Company Limited respectively as at December 31, 2014, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Other Matter**

The consolidated and separate financial statements for the year ended December 31, 2013 of CMO Public Company Limited and its subsidiaries and Joint ventures and of CMO Public Company Limited respectively, presented herein as comparative information, were audited by another auditor of same firm, whose report dated February 26, 2014 expressed a unqualified opinion.



Yuttapong Chuamuangpan  
Certified Public Accountant  
Registration Number 9445

ANS Audit Company Limited  
Bangkok, February 25, 2015

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	23,463,134.10	29,519,469.44	2,207,876.34	7,724,178.22
Trade and other receivables - net	5, 7	346,869,771.22	288,110,655.20	199,556,840.80	199,324,570.14
Short-term loan to related parties	5	8,000,000.00	1,100,000.00	65,800,000.00	25,200,000.00
Work in process - net	8	20,206,792.15	13,557,755.54	15,340,423.12	14,780,326.86
Non-current assets held for Sale		-	25,224,048.91	-	17,304,015.70
<b>Total current assets</b>		<b>398,539,697.47</b>	<b>357,511,929.09</b>	<b>282,905,140.26</b>	<b>264,333,090.92</b>
<b>Non-current assets</b>					
Restricted deposits at bank	12, 15	11,159,493.69	9,715,406.45	743,898.33	734,604.16
Investments - net	5	-	-	159,443,492.57	175,343,592.57
Advance for purchase of building		-	-	-	33,000,000.00
Property, plant and equipment - net	9, 12, 15	651,123,525.91	551,753,701.62	122,832,235.63	51,266,452.10
Goodwill	5	6,816,249.57	6,816,249.57	-	-
Deferred tax assets	10	16,482,249.22	5,752,733.06	13,251,953.86	4,026,160.24
Other non-current assets	11	49,311,932.36	34,248,881.74	30,848,902.22	28,570,202.05
<b>Total non-current assets</b>		<b>734,893,450.75</b>	<b>608,286,972.44</b>	<b>327,120,482.61</b>	<b>292,941,011.12</b>
<b>Total assets</b>		<b>1,133,433,148.22</b>	<b>965,798,901.53</b>	<b>610,025,622.87</b>	<b>557,274,102.04</b>

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CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2014	2013	2014	2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
	Bank overdrafts and short-term loans from financial institutions				
12		265,126,449.61	235,421,275.83	169,414,503.01	169,236,544.26
5, 13	Trade and other payables	241,391,468.63	127,818,141.66	115,187,216.77	86,638,563.44
14	Current portion of liabilities under financial lease agreements	32,879,095.19	38,230,595.52	1,220,100.56	1,210,840.29
15	Current portion of long-term loan from financial institutions	35,500,619.06	18,104,000.00	9,933,000.00	-
5	Short-term loan from related parties	681,120.00	83,884.00	-	-
	Dividend payable	9,174,998.81	9,475,036.00	-	-
<b>Total current liabilities</b>		<b>584,753,751.30</b>	<b>429,132,933.01</b>	<b>295,754,820.34</b>	<b>257,085,947.99</b>
<b>Non-current liabilities</b>					
14	Liabilities under financial lease agreements - net	25,124,050.86	41,013,045.11	743,138.53	1,963,283.04
15	Long-term loan from financial institutions - net	155,198,671.80	86,592,689.92	54,667,000.00	-
10	Deferred tax liabilities	18,807,129.68	17,922,547.60	-	600,000.00
16	Employee benefit obligations	2,117,886.00	4,194,081.43	1,128,861.00	1,020,196.43
<b>Total non-current liabilities</b>		<b>201,247,738.34</b>	<b>149,722,364.06</b>	<b>56,538,999.53</b>	<b>3,583,479.47</b>
<b>Total liabilities</b>		<b>786,001,489.64</b>	<b>578,855,297.07</b>	<b>352,293,819.87</b>	<b>260,669,427.46</b>

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CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2014	2013	2014	2013
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
	Common shares 222,500,000 shares at Baht 1 each	222,500,000.00	222,500,000.00	222,500,000.00	222,500,000.00
Issued and fully paid-up share capital					
17	Common shares 194,007,835 shares at Baht 1 each	194,007,835.00	-	194,007,835.00	-
	Common shares 190,754,935 shares at Baht 1 each	-	190,754,935.00	-	190,754,935.00
	Premiums on share capital	51,040,910.91	47,587,716.58	51,040,910.91	47,587,716.58
	Reserve for share-based payments	4,044,033.25	2,954,218.44	4,044,033.25	2,954,218.44
	Discount on investments	4,907,142.73	4,907,142.73	-	-
Retained earnings (deficit)					
Appropriated					
19	Appropriated to legal reserve	8,748,059.30	8,550,015.47	8,748,059.30	8,550,015.47
	Unappropriated	14,864,070.37	62,986,205.64	(109,035.46)	44,357,789.09
Other components of shareholders' equity					
	Total shareholders' equity of the company	336,160,440.06	379,887,966.36	257,731,803.00	296,604,674.58
	Non-controlling interests	11,271,218.52	7,055,638.10	-	-
<b>Total shareholders' equity</b>		<b>347,431,658.58</b>	<b>386,943,604.46</b>	<b>257,731,803.00</b>	<b>296,604,674.58</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,133,433,148.22</b>	<b>965,798,901.53</b>	<b>610,025,622.87</b>	<b>557,274,102.04</b>



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CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES  
 STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2014

Unit: Baht

Notes	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
3, 5, 23				
<b>Revenues from services</b>	1,074,714,271.69	1,095,334,508.73	581,638,316.60	630,175,940.40
Cost of services	(876,647,977.93)	(847,942,608.20)	(509,317,730.74)	(528,100,594.34)
<b>Gross profit</b>	198,066,293.76	247,391,900.53	72,320,585.86	102,075,346.06
Other incomes	19,724,694.87	8,200,668.85	13,647,064.13	7,976,053.40
Selling expenses	(27,224,451.28)	(12,969,651.61)	(10,823,158.64)	(5,570,517.79)
Administrative expenses	(192,731,953.17)	(168,253,349.37)	(116,643,730.33)	(87,426,135.28)
Finance costs	(28,675,571.29)	(18,513,569.30)	(12,969,442.86)	(8,107,363.55)
Dividend income	-	-	17,049,901.00	28,824,054.00
<b>Profit (loss) before tax</b>	(30,840,987.11)	55,855,999.10	(37,418,780.84)	37,771,436.84
Income tax (expenses) revenues	5,508,924.59	(14,780,139.22)	9,825,793.62	(3,328,433.98)
<b>Profit (loss) for the years</b>	(25,332,062.52)	41,075,859.88	(27,592,987.22)	34,443,002.86
Other comprehensive income				
<b>Total comprehensive income (loss) for the years</b>	(25,332,062.52)	41,075,859.88	(27,592,987.22)	34,443,002.86
<b>Profit (loss) attributable to</b>				
Equity holders of the Company	(32,447,641.94)	33,263,732.49	(27,592,987.22)	34,443,002.86
Non-controlling interests	7,115,579.42	7,812,127.39	-	-
	(25,332,062.52)	41,075,859.88	(27,592,987.22)	34,443,002.86
<b>Total comprehensive income (loss) attributable to</b>				
Equity holders of the Company	(32,446,985.94)	33,263,732.49	(27,592,987.22)	34,443,002.86
Non-controlling interests	7,114,923.42	7,812,127.39	-	-
	(25,332,062.52)	41,075,859.88	(27,592,987.22)	34,443,002.86
<b>Earnings (loss) per share</b>	22			
Basic earnings (loss) per share	(0.17)	0.18	(0.14)	0.18
Diluted earnings (loss) per share	(0.17)	0.17	(0.14)	0.17



CMO PUBLIC COMPANY LIMITED

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**CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES**  
**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Unit: Baht

Notes	Consolidated financial statements											Total Shareholders' Equity
	Equity attributable to equity holders of the Company											
	Issued and paid-up share capital	Premiums on share capital	Reserve for share-based payment	Discounts on investments	Retained earnings		Surplus on land revaluation	Other comprehensive income	Other components of shareholders' equity		Total Equity holders of the Company	
					Appropriated to legal reserve	Unappropriated			Shareholders' equity	Total other components of shareholders' equity		
<b>Balance as at January 1, 2013</b>	187,494,835.00	44,121,936.71	340,078.20	4,907,142.73	6,827,865.34	50,516,096.78	62,147,732.50	62,147,732.50	356,355,687.26	12,319,456.71	368,675,143.97	
Changes in shareholders' equity for the year:												
Share capital increase	17	3,000,400.00	3,000,400.00	-	-	-	-	-	-	-	6,000,800.00	
Warrants exercised	18	259,700.00	465,379.87	(257,619.87)	-	-	-	-	-	-	467,460.00	
Reserve for share-based payment		-	-	2,871,760.11	-	-	-	-	-	-	2,871,760.11	
Appropriated to legal reserve	19	-	-	-	1,722,150.13	(1,722,150.13)	-	-	-	-	-	
Dividend paid	20	-	-	-	-	(19,071,473.50)	-	-	-	-	(19,071,473.50)	
<b>Total comprehensive income (loss) for the year</b>		-	-	-	-	33,263,732.49	-	-	-	-	33,263,732.49	
<b>Balance at December 31, 2013</b>		190,754,935.00	47,587,716.58	2,954,218.44	4,907,142.73	8,550,015.47	62,147,732.50	62,147,732.50	379,887,966.36	7,055,638.10	386,943,604.46	
Changes in shareholders' equity for the year:												
Share capital increase	17	3,000,000.00	3,000,000.00	-	-	-	-	-	-	-	6,000,000.00	
Warrants exercised	18	252,900.00	453,194.33	(250,874.33)	-	-	-	-	-	-	455,220.00	
Reserve for share-based payment		-	-	1,340,689.14	-	-	-	-	-	-	1,340,689.14	
Appropriated to legal reserve	19	-	-	-	198,043.83	(198,043.83)	-	-	-	-	-	
Dividend paid	20	-	-	-	-	(19,075,793.50)	-	-	-	-	(19,075,793.50)	
Increase in non-controlling interests	5	-	-	-	-	-	-	-	-	-	-	
Transfer surplus on land revaluation to retained earning		-	-	-	-	-	-	-	-	-	-	
<b>Total comprehensive loss for the year</b>		-	-	-	-	3,599,344.00	(3,599,344.00)	(3,599,344.00)	-	400,100.00	656.00	
<b>Balance at December 31, 2014</b>		194,007,835.00	51,040,910.91	4,044,033.25	4,907,142.73	8,748,059.30	58,548,388.50	58,548,388.50	382,447,641.94	7,114,923.42	389,562,565.36	



CMO PUBLIC COMPANY LIMITED

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



**CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES**  
**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

		Unit: Baht									
		Separate financial statements									
Notes		Issued and paid-up share capital	Premiums on share capital	Reserve for share-based payment	Retained earnings (deficit) Appropriated to legal reserve	Unappropriated	Other components of shareholders' equity			Total Shareholders' Equity	
							Surplus on land revaluation	other components of shareholders' equity	Total		
	<b>Balance as at January 1, 2013</b>	187,494,835.00	44,121,936.71	340,078.20	6,827,865.34	30,708,409.86	2,400,000.00			271,893,125.11	
	Changes in shareholders' equity for the year:										
17	Share capital increase	3,000,400.00	3,000,400.00	-	-	-	-	-	-	6,000,800.00	
18	Warrants exercised	259,700.00	465,379.87	(257,619.87)	-	-	-	-	-	467,460.00	
19	Reserve for share-based payment	-	-	2,871,760.11	-	-	-	-	-	2,871,760.11	
19	Appropriated to legal reserve	-	-	-	1,722,150.13	(1,722,150.13)	-	-	-	-	
20	Dividend paid	-	-	-	-	(19,071,473.50)	-	-	-	(19,071,473.50)	
	Total comprehensive income for the year	-	-	-	-	34,443,002.86	-	-	-	34,443,002.86	
	<b>Balance at December 31, 2013</b>	190,754,935.00	47,587,716.58	2,954,218.44	8,550,015.47	44,357,789.09	2,400,000.00			296,604,674.58	
	Changes in shareholders' equity for the year:										
17	Share capital increase	3,000,000.00	3,000,000.00	-	-	-	-	-	-	6,000,000.00	
18	Warrants exercised	252,900.00	453,194.33	(250,874.33)	-	-	-	-	-	455,220.00	
	Reserve for share-based payment	-	-	1,340,689.14	-	-	-	-	-	1,340,689.14	
19	Appropriated to legal reserve	-	-	-	198,043.83	(198,043.83)	-	-	-	-	
20	Dividend paid	-	-	-	-	(19,075,793.50)	-	-	-	(19,075,793.50)	
	Transfer surplus on land revaluation to retained earning	-	-	-	-	2,400,000.00	(2,400,000.00)			-	
	Total comprehensive loss for the year	-	-	-	-	(27,592,987.22)	-	-	-	(27,592,987.22)	
	<b>Balance at December 31, 2014</b>	194,007,835.00	51,040,910.91	4,044,033.25	8,748,059.30	(109,035.46)				257,731,803.00	



CMO PUBLIC COMPANY LIMITED

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

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash Flows from Operating Activities:</b>				
Profit (loss) before tax	(30,840,987.11)	55,855,999.10	(37,418,780.84)	37,771,436.84
Adjustments to reconcile profit (loss) before tax to net cash flow from operating activities:				
Depreciation	81,510,472.08	57,586,208.64	14,493,864.90	6,463,711.72
Impairment loss on assets	3,395,327.72	-	2,758,889.17	-
Allowance for doubtful debt	1,837,963.88	594,400.00	3,205,524.88	394,400.00
Reversal of allowance for decline in value of inventories	-	(790,673.60)	-	(790,673.60)
Impairment loss on investment	-	-	8,391,199.55	2,241,407.43
Impairment loss on goodwill	-	1,161,407.43	-	-
Gain on sales of non-current assets held for sale	(8,175,951.09)	-	(6,195,984.30)	-
(Gain) loss on sales of fixed assets	80,225.45	(3,791,098.08)	(53,685.73)	(2,278,630.39)
Written off withholding tax	1,486,021.90	3,108,933.96	1,475,570.24	2,825,942.89
Provision	1,800,000.00	-	1,800,000.00	-
Estimation of employee benefit obligations (reversal)	(7,166.43)	503,158.65	108,664.57	100,749.65
Reserve for share-based payments	1,340,689.14	2,871,760.11	1,340,689.14	2,871,760.11
Dividend income	-	-	(17,049,901.00)	(28,824,054.00)
Interest expenses	28,675,571.29	18,513,569.30	12,969,442.86	8,107,363.55
Profit (loss) from operating activities before changes in operating assets and liabilities	81,102,166.83	135,613,665.51	(14,174,506.56)	28,883,414.20
Operating assets (increased) decreased				
Trade and other receivables	(59,497,079.90)	(10,461,427.74)	3,626,856.97	7,312,943.65
Work in process	(6,649,036.61)	(4,576,769.45)	(560,096.26)	(7,017,423.79)
Other non-current assets	14,941,251.86	15,736,000.67	11,200,443.28	14,899,041.25
Operating liabilities increased (decreased)				
Trade and other payables	114,015,981.84	(18,597,363.37)	26,901,811.02	(8,893,140.59)
Other non-current liabilities	-	(237,020.00)	-	-
Cash from operating activities	143,913,284.02	117,477,085.62	26,994,508.45	35,184,834.72
Employee benefits obligations paid	(2,069,029.00)	-	-	-
Interest paid	(28,676,465.70)	(18,595,866.97)	(12,969,442.86)	(8,107,363.55)
Income tax paid	(35,826,333.87)	(30,554,573.94)	(14,354,713.69)	(15,726,815.06)
<b>Net cash from (used in) operating activities</b>	<b>77,341,455.45</b>	<b>68,326,644.71</b>	<b>(329,648.10)</b>	<b>11,350,656.11</b>



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CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash Flows from Investing Activities:</b>				
Increase in restricted deposits at bank	(1,444,087.24)	(3,893,621.70)	(9,294.17)	(11,828.50)
Cash received from loans to related parties	500,000.00	-	14,500,000.00	-
Cash payment for loans to related parties	(8,500,000.00)	(1,100,000.00)	(57,300,000.00)	(25,200,000.00)
Investment in subsidiary	-	-	(599,900.00)	-
Investment in joint venture	-	-	(552,125.00)	(16,500,000.00)
Dividend income from investments	-	-	20,846,173.94	5,852,620.95
Cash received from sales of non-current assets held for sale	33,400,000.00	-	22,900,000.00	-
Purchase of fixed assets	(147,767,790.49)	(129,000,318.94)	(56,020,955.35)	(38,892,992.18)
Cash deposit on advance for purchase of building	-	-	-	(10,000,000.00)
Cash received from sales of fixed assets	2,932,156.07	21,544,484.31	102,945.79	20,906,542.06
<b>Net cash used in investing activities</b>	<b>(120,879,721.66)</b>	<b>(112,449,456.33)</b>	<b>(56,133,154.79)</b>	<b>(63,845,657.67)</b>
<b>Cash Flows from Financing Activities:</b>				
Increase in bank overdraft and short-term loans				
from financial institutions - net	29,705,173.78	101,212,303.62	177,958.75	76,943,171.44
Cash payments for financial lease agreements	(38,903,339.65)	(32,105,024.06)	(1,210,884.24)	(1,169,156.96)
Cash received from loans from related parties	990,453.00	546,069.91	-	-
Repayment of short-term loans from related parties	(393,217.00)	(462,185.91)	-	-
Cash payment to short-term loan from third party	-	(7,000,000.00)	-	-
Cash received from long-term loan from financial institutions	79,600,000.00	20,780,337.00	64,600,000.00	-
Cash payment of long-term loans from financial institutions	(17,696,529.57)	(15,849,963.64)	-	(6,638,035.74)
Dividend paid	(22,676,585.69)	(22,672,383.50)	(19,075,793.50)	(19,071,473.50)
Cash received from share capital	6,455,220.00	6,468,260.00	6,455,220.00	6,468,260.00
Increase in non-controlling interests	400,756.00	-	-	-
<b>Net cash from financing activities</b>	<b>37,481,930.87</b>	<b>50,917,413.42</b>	<b>50,946,501.01</b>	<b>56,532,765.24</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6,056,335.34)</b>	<b>6,794,601.80</b>	<b>(5,516,301.88)</b>	<b>4,037,763.68</b>
<b>Cash and cash equivalents, Beginning of years</b>	<b>29,519,469.44</b>	<b>22,724,867.64</b>	<b>7,724,178.22</b>	<b>3,686,414.54</b>
<b>Cash and cash equivalents, End of years</b>	<b>23,463,134.10</b>	<b>29,519,469.44</b>	<b>2,207,876.34</b>	<b>7,724,178.22</b>
<b>Supplemental Disclosures of Cash Flows Information</b>				
Increase in assets from long-term from financial institutions	24,099,130.51	87,250,365.49	-	-
Increase in assets from financial lease agreements during the years	17,662,845.07	56,283,741.54	-	2,373,831.78
Increase in assets from offset to debt	-	-	(33,000,000.00)	-
Increase (decrease) in accounts payable for purchase of fixed assets during the years	2,241,760.46	3,554,569.96	(153,157.69)	1,739,919.51
Offsetting of dividend against deposit for purchase of building	-	-	-	23,000,000.00



**CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**1. GENERAL INFORMATION**

CMO Public Company Limited (“the Company”) was incorporated under Thai laws on June 5, 1991, and was subsequently transformed from a juristic person under the Civil and Commercial code as “a Company Limited” to be a juristic person under the Public Company Limited Act B.E. 2535 on December 29, 2003. The Company’s primary business is event management for public events, exhibitions and entertainment activities. The Company’s registered office is located at 1471 Soi Ladprao 94, Ladprao Rd., Plubpla, Wangthanglang, Bangkok. On March 18, 2014, the Company moved registered office to 4/18-19 Soi Nuanchan 56, Nuanchan, Buengkum Bangkok.

**2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

They are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**Basis for preparation of consolidated financial statement**

The consolidated financial statements related to the Company and its subsidiaries and the interest in the joint venture (together referred to as the “Group”) as follows:

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>% Equity interest owned by the</u>	
		<u>Company</u>	
		<u>31 December</u>	<u>31 December</u>
		<u>2014</u>	<u>2013</u>
PM Center Co., Ltd.	Rental equipment for Image, Lighting, Sound and Effects.	99.99	99.99
The Eyes Co., Ltd.	Production of multi-vision slide, video, multimedia and computer graphics.	99.95	99.95
Exposition Technology Co., Ltd.	Electrical and lighting services.	40.00	40.00
Thoth Media Co., Ltd.	Online Media Marketing.	35.00	35.00
Momentum S Co., Ltd.	Event management for Private event, Wedding ceremony, Birthday party and other.	60.00	-
<u>The subsidiary held by PM Center Co., Ltd.</u>			
Set Up Solution Co., Ltd.	Installation of equipment for Image system, Lighting, Sound, Effects and transportation services	99.99	99.99
<u>Joint ventures</u>			
CMO – TEE Entertainment Joint Venture	Creating and production of events	-	50.00
CMO – Belink Joint Venture	Project “27 <sup>th</sup> Sea Games Lucky Cards Campaign” in Myanmar	-	80.00
CMO – ZAAP Joint Venture	Management and development for project “Single Festival”, “Full Moon Party World Tour” and “Zaapazine”	50.00	50.00

The financial statements of Exposition Technology Co., Ltd. and Thoth Media Co., Ltd are included in the consolidated financial statements even though the Company’s shareholding is less than 50 percent. This is because the Company has control over their financial and operating policies, and they are therefore regarded as subsidiary companies.

All significant intercompany transactions and accounts were eliminated in preparing the consolidated financial statements.

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CMO PUBLIC COMPANY LIMITED

*[Signature]*

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

#### **New accounting standards**

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

#### **(a) Accounting standards that became effective in the current accounting year**

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs



Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These accounting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These accounting standards do not have any significant impact on the financial statements.

**(b) Accounting standards that will become effective in the future**

The Federation of Accounting Professions has issued a number of revised and new accounting standards that become effective for fiscal years beginning on or after 1 January 2015. These accounting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these accounting standards involve changes to key principles, as discussed below:



### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and brought forward retained earnings in the financial statements.

### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgment when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

At present, the Company and its subsidiaries use the proportionate consolidated method to account for jointly controlled entities when preparing the consolidated financial statements. The management of the Company and its subsidiaries have assessed the effect of this standard and believe that when it is applied in 2015 and the method of recognising an investment in jointly controlled entities is changed to the equity method, there will be no impact to shareholders' equity and net profit in the financial statements, but only to the presentation in the statements of financial position and the statement of comprehensive income and the statement of income.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company and its subsidiaries' financial statements.



### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Revenues and Expenses Recognitions**

Revenues and expenses are recognized on an accrual basis.

Revenues from event management of public shows, exhibitions and entertainment events are recognized when the services are completed. Revenues from completed service but unbilled has presented in unbilled receivable which included in trade accounts receivable.

Revenues from decoration construction are recognized based on the percentage of completion computing on the proportion of actual cost incurred compared to the estimated total cost. Uninvoiced income is presented as unbilled receivable included as part of account receivable while the respective cost is presented in statement of comprehensive income.

Revenues from rental of Image, Lighting, and Sound, and Effect techniques equipment are recognized when the services are completed.

Revenues from the production of slide, multivision, video, multimedia and computer graphics are recognized when the productions are delivered to the customers.

Revenues from service of music and artist management are recognized when the services are completed.

Cost of uncompleted jobs or undelivered jobs are recorded as work in process.

### **Cash and Cash Equivalents**

Cash and cash equivalents presented in the statements of cash flows, comprise of cash in hand, deposits at financial institutions with a maturity period not over 3 months except for cash at bank held as collateral.

### **Allowance for Doubtful Accounts**

The Company and subsidiaries provide an allowance for doubtful accounts equal to the estimated uncollectible amount which is based on collection experience and analysis of the current status of individual receivables.

### **Work in Process**

Cost of work, which is not yet recognized as revenues, is recorded in work in process using the invoiced value after discounting.

### **Investments in Subsidiaries and Joint Ventures**

Investments in joint venture are presented in the consolidated financial statements by using the proportionate method.

Investments in subsidiaries and joint venture are presented in the separate financial statements by using the cost method, and adjusted impairment, if any.

The Company presented the outstanding balance of the negative goodwill arisen from the acquisition of the investment in a subsidiary company as "Discount on Investments" shown under the shareholders' equity. This will be recognized in the statement of comprehensive income when the investment is disposed.

### **Non-current Assets Held for Sale**

The Group measure non-current assets held for sale at the lower of carrying amount and fair value less costs of disposal.

### **Property, Plant and Equipment and Depreciation**

Land is presented at the appraised value appraised by the independent appraiser, dated February 9, 2011 by using the market value.

Buildings and equipment are stated at cost less accumulated depreciation and impairment loss from assets (if any).

Depreciation is computed by the straight-line method based on the estimated useful lives of the assets as follows:-

	<u>Useful life (years)</u>
Buildings	30
Building improvements	5
Operating equipment	3, 5
Office equipment	3, 5
Furniture and fixtures	5
Vehicles	5

Supplies are stated at cost by using First-in, First-out method and will be expensed when used.

### **Financial Lease Agreements**

The Group records operating equipment and vehicle under financial leases as assets and liabilities at amounts equal to the fair value of the leased assets at the inception of the lease or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor is the lease's implicit interest rate. Interest expense is allocated to periods during the lease term according to the remaining balance of the liability for each year.

### **Employee Benefits**

#### *Short-term benefits*

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

#### *Post-employment benefits – defined benefit plan*

The employee benefits liabilities in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in the profit or loss in the period in which they arise.

### **Provisions**

Provisions are recognized 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.

### **Income tax**

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

#### *Current tax*

The Group record current income tax at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### *Deferred tax*

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

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

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **Transactions in Foreign Currencies**

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies outstanding at the statement financial position date are translated into Baht at the exchange rates ruling on that dates. Gain or losses on exchange rates are recognized as income or expenses for the year.

#### **Basic Earnings (loss) per Share and Diluted Earnings (loss) per Share**

Basic earnings (loss) per share are computed by dividing the profit (loss) for the year by the weighted average number of issued and paid-up common shares and the increased shares from warrants exercised during the year.

Diluted earnings (loss) per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares including the effect of shares to be increased from exercise warrants for the year.

#### **Financial Instruments**

The Group has no policy to speculate in or engage in the trading of any financial derivative instruments.

#### **4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

##### **Allowance for doubtful accounts**

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

#### **Allowance for diminution in value of inventory**

The determination of allowances for diminution in the value of inventory, requires management to make judgments and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, that is estimated based on the approximate useful life of each type of inventory.

#### **Leases**

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

#### **Property, plant and equipment / Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Group's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### **Goodwill**

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. *mc*



## 5. RELATED PARTY TRANSACTIONS

The Company had business transactions with related parties. These parties are directly and indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transactions on the basis determined by the Company and the parties concerned. For the years ended December 31, 2014 and 2013, the significant transactions with related parties can be summarized as follow

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Transactions between the Company and related parties				
For the years ended December 31,				
<b>Subsidiaries and Joint ventures</b>				
Revenue from services	1,558	935	1,476	4,673
Dividend income	-	-	17,050	28,824
Other income	-	-	2,400	1,993
Interest income	99	-	3,563	295
Cost of services	14	-	49,411	81,771
Impairment loss on investment	-	-	8,391	1,241
Other expenses	-	-	6,823	510
<b>Related person</b>				
Interest expenses	660	-	-	-

The Company has transactions with related parties by using cost plus profit and agreed contract price.

### Management compensation – for key management personnel

For the year ended December 31, 2014 and 2013, these consist of the following:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term benefits	37,216,952.86	43,875,041.14	26,386,248.00	24,710,035.46
Post-employment benefits	14,313,363.44	306,765.18	85,140.44	63,614.57
Total	51,530,316.30	44,181,806.32	26,471,388.44	24,773,650.03

The outstanding balances as at December 31, 2014 and 2013 of the above transactions have been separately shown in the statements of financial position and consist of the following:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Trade receivables - related companies</b>				
PM Center Co., Ltd.	-	-	1,460	-
The Eyes Co., Ltd.	-	-	4,660	-
CMO – TEE Entertainment Joint Venture	-	617	-	2,353
CMO - ZAAP Joint Venture	393	-	-	1,233
<b>Total trade receivables - related parties</b>	<b>393</b>	<b>617</b>	<b>6,120</b>	<b>3,586</b>
<b>Accrued interest - related companies</b>				
PM Center Co., Ltd.	-	-	20	287
The Eyes Co., Ltd.	-	-	2	2
CMO - ZAAP Joint Venture	33	6	53	12
Related person	240	-	-	-
<b>Total accrued interest - related parties</b>	<b>273</b>	<b>6</b>	<b>75</b>	<b>301</b>
<b>Accrued dividend income - related companies</b>				
PM Center Co., Ltd.	-	-	-	815
Exposition Technology Co., Ltd.	-	-	4,590	6,346
Thoth Media Co., Ltd.	-	-	-	1,225
<b>Total accrued dividend income - related companies</b>	<b>-</b>	<b>-</b>	<b>4,590</b>	<b>8,386</b>
<b>Short-term loan to related companies</b>				
PM Center Co., Ltd.	-	-	58,300	21,000
The Eyes Co., Ltd.	-	-	7,500	2,000
CMO - ZAAP Joint Venture	2,100	1,100	2,200	2,200
Related person	7,000	-	-	-
<b>Total short-term loan to related parties</b>	<b>9,100</b>	<b>1,100</b>	<b>68,000</b>	<b>25,200</b>
Less: Allowance for doubtful accounts	(1,100)	-	(2,200)	-
<b>Total short-term loan to related parties - net</b>	<b>8,000</b>	<b>1,100</b>	<b>65,800</b>	<b>25,200</b>

During the years, the Company had movements on loans to related parties as follow:-

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Short-term loan to related companies</b>				
<b>Subsidiaries and join venture</b>				
Balance at beginning of the years	1,100	100	25,200	100
Increase during the years	1,500	1,100	57,300	25,200
Decrease during the years	(500)	(100)	(14,500)	(100)
Balance at end of the years	2,100	1,100	68,000	25,200
<b>Related parties</b>				
Balance at beginning of the years	-	-	-	-
Increase during the years	7,000	-	-	-
Balance at end of the years	7,000	-	-	-
Total short-term loan to related parties	9,100	1,100	68,000	25,200

The Company charged interest on loan to related parties by MOR rate per annum.

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Advance for purchase of building</b>				
PM Center Co., Ltd.	-	-	-	33,000

On October 21, 2013, the Company entered into an agreement to purchase of building with a subsidiary in the amount of Baht 33 million by using the average value between the independent appraiser's value and the net book value in order to get a reasonable price for both parties (Net book value of Baht 30.84 million as at December 31, 2013). The Company had paid deposit of Baht 10 million and the Company had settled another deposit of Baht 23 million by offsetting against the accrued dividend receivable according to the supplement memorandum to purchase agreement on December 26, 2013. The transfer of ownership on building was made on January 29, 2014. *m*



CMO PUBLIC COMPANY LIMITED



## Investments – net

Investments in subsidiaries and joint venture as at December 31, are as follow:

(Unit: Thousands Baht)

Company	Relationships	Separate financial statements							
		2014			2013			Dividend income	
		Paid-up capital	Ownership %	Cost method	Paid-up capital	Ownership %	Cost method	2014	2013
<u>Subsidiaries</u>									
PM Center Co., Ltd.	Common management and shareholdings	135,000	99.99	134,999	135,000	99.99	134,999	14,850	18,900
The Eyes Co., Ltd.	Common management and shareholdings	15,000	99.95	14,601	15,000	99.95	14,601	-	1,499
Exposition Technology Co., Ltd.	Common management and shareholdings	2,000	40.00	5,400	2,000	40.00	5,400	2,200	7,200
Thoth Media Co., Ltd.	Common management and shareholdings	125	35.00	5,005	125	35.00	5,005	-	1,225
Momentum S Co., Ltd.	Common management and shareholdings	1,000	60.00	600	-	-	-	-	-
<u>Joint Venture</u>									
CMO - TEE Entertainment Joint Venture	Common management and shareholdings	-	-	-	2,000	50.00	1,000	-	-
CMO - Belink Joint Venture	Common management and shareholdings	-	-	-	20,000	80.00	16,000	-	-
CMO - ZAAP Joint Venture	Common management and shareholdings	1,000	50.00	500	1,000	50.00	500	-	-
Total investments				161,105			177,505	17,050	28,824
Less: Impairment of investment				(1,662)			(2,161)		
Total investments - net				159,443			175,344		

On October 15, 2014, CMO - TEE Entertainment Joint Venture resolved to close down.

On August 22, 2014, the Company acquired ordinary shares of Momentum S Co., Ltd., of 11,998 shares at Baht 50 per share (Par value of Baht 100) representing the 60% interest of such company's registered capital.

On August 8, 2014, CMO – Belink Joint Venture resolved to close down.



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On December 2, 2013, Dream Box and CM Organizer Joint Venture resolved to close down.

On September 6, 2013, the Company entered into a joint venture contract with ZAAP Enterprise Co., Ltd. and formed the CMO – ZAAP Joint Venture, which the Company shares net gain (loss) at 50:50%. The initial investment is Baht 1,000,000.

On June 10, 2013, the Company entered into a joint venture contract with Belink Media Co., Ltd. and formed the CMO – Belink Joint Venture, which the Company shares net gain (loss) at 70:30%. The initial investment is Baht 5,000,000. On August 7, 2013, the Company entered into an amendment agreement to increase the investment from Baht 5,000,000 to Baht 20,000,000 (Increase of Baht 15,000,000) and to change the proportion to be 80:20.

During the year, the Company entered into a joint venture contract with Event Pro International, PT and formed the ROYALINDO CMO INFINITY, PT. The initial investment is USD 300,000 with the proportion of 50:50. On January 13, 2014, the Company sent a letter of Joint Venture Dissolution to partner. Therefore, ROYALINDO CMO INFINITY, PT. is under process to close down the entity.

On May 15, 2012, the Company acquired ordinary shares of Thoth Media Co., Ltd., of Baht 5.01 million equal to 1,750 shares at Baht 2,860 per share representing the 35% interest of such company's registered capital. This incurred the excess of cost over the such company's book value as at May 15, 2012 according to the unaudited financial statements of Baht 3.34 million.

On July 1, 2008, the Company acquired ordinary shares of Exposition Technology Co., Ltd., in the amount of Baht 5 million equal to 4,000 shares at Baht 1,250 per share (Par value of Baht 100 per share). This incurred the excess of cost over the book value as at July 1, 2008 of the subsidiary company according to the unaudited or unreviewed financial statements of Baht 4.64 million. *m*



Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Trade payable from related companies</b>				
PM Center Co., Ltd.	-	-	7,322	14,039
The Eyes Co., Ltd.	-	-	6,173	1,141
Exposition Technology Co.,Ltd.	-	-	784	1,395
Thoth Media Co., Ltd.	-	-	-	75
CMO - Belink Joint Venture	-	1,000	-	5,000
<b>Total trade payable related companies</b>	<b>-</b>	<b>1,000</b>	<b>14,279</b>	<b>21,650</b>
<b>Other payable from related companies</b>				
PM Center Co., Ltd.	-	-	311	-
The Eyes Co., Ltd.	-	-	-	107
Thoth Media Co., Ltd.	-	-	-	96
<b>Total other payable from related companies</b>	<b>-</b>	<b>-</b>	<b>311</b>	<b>203</b>
<b>Short-term loan from related parties</b>				
Related parties (Interest rate MOR)	500	-	-	-
Directors (No interest)	181	84	-	-
<b>Total short-term loan from related parties</b>	<b>681</b>	<b>84</b>	<b>-</b>	<b>-</b>

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During the years ended December 31, the Company had movements on the short - term loan from related parties as follow:-

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Short-term loan from related parties</b>				
<b>Subsidiaries</b>				
Balance at beginning of the years	-	-	-	-
Increase during the years	500	-	-	-
Balance at end of the years	500	-	-	-
<b>Directors</b>				
Balance at beginning of the years	84	-	-	-
Increase during the years	490	546	-	-
Decrease during the years	(393)	(462)	-	-
Balance at end of the years	181	84	-	-
<b>Total short-term loan from related parties</b>	<b>681</b>	<b>84</b>	<b>-</b>	<b>-</b>

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	430,000.00	380,427.50	70,000.00	70,000.00
Cash at banks - savings account	22,522,498.23	24,198,273.15	2,076,961.62	7,156,948.81
Cash at banks - current account	510,635.87	4,940,768.79	60,914.72	497,229.41
<b>Cash and cash equivalents</b>	<b>23,463,134.10</b>	<b>29,519,469.44</b>	<b>2,207,876.34</b>	<b>7,724,178.22</b>



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7. **TRADE AND OTHER RECEIVABLES - NET**

Trade and other receivables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables				
Trade receivables - related companies	393,225.00	616,324.87	6,120,495.01	3,585,974.51
Trade receivables - others	309,628,074.71	295,649,085.94	186,167,638.89	193,573,110.06
Total trade receivables	310,021,299.71	296,265,410.81	192,288,133.90	197,159,084.57
Less: Allowance for doubtful accounts	(24,563,209.02)	(24,830,770.02)	(15,775,681.63)	(15,775,681.63)
Trade receivables – net	285,458,090.69	271,434,640.79	176,512,452.27	181,383,402.94
Other receivables				
Other receivables	9,862,199.79	1,848,207.31	8,660,925.45	-
Advance to employee	5,094,172.06	2,992,728.91	2,643,951.30	2,090,791.91
Prepaid expenses	3,890,759.09	2,892,816.64	1,694,441.61	1,594,579.53
Deposit for purchase inventories	33,310,632.92	686,474.73	-	-
Undue input VAT	8,409,507.39	5,814,586.25	5,036,931.52	4,410,744.40
Accrued dividends income	-	-	4,590,129.61	8,386,402.55
Accrued interest income - related companies	272,672.61	5,778.76	75,167.13	300,975.34
Revenue Department receivable	538,098.95	2,345,748.51	-	-
Others	549,768.72	605,804.30	389,516.91	1,204,348.47
Total other receivables	61,927,811.53	17,192,145.41	23,091,063.53	17,987,842.20
Less: Allowance for doubtful accounts	(516,131.00)	(516,131.00)	(46,675.00)	(46,675.00)
Total other receivables - net	61,411,680.53	16,676,014.41	23,044,388.53	17,941,167.20
Total trade and other receivables - net	346,869,771.22	288,110,655.20	199,556,840.80	199,324,570.14



Trade receivables can be classified by age analysis as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Trade receivables – related companies</b>				
Not yet due	-	-	1,167,150.00	241,050.00
Past due				
Less than 3 months	56,175.00	-	-	-
Over 3 months but not over 6 months	-	-	618,727.50	1,337,092.50
Over 6 months but not over 12 months		616,324.87	444,103.50	2,007,832.01
Over 12 months	-	-	2,430,258.26	-
<b>Unbilled receivables - related companies</b>				
Not yet due	-	-	95,530.75	-
Past due				
Less than 3 months	337,050.00	-	1,364,725.00	-
<b>Total trade receivables – related companies</b>	<b>393,225.00</b>	<b>616,324.87</b>	<b>6,120,495.01</b>	<b>3,585,974.51</b>
<b>Trade receivables - others</b>				
Not yet due	104,495,254.74	95,210,779.61	50,706,301.89	40,391,552.95
Past due				
Less than 3 months	72,983,527.91	86,179,854.02	37,602,927.76	54,590,741.19
Over 3 months but not over 6 months	36,142,041.40	17,801,126.33	27,158,045.34	14,746,490.33
Over 6 months but not over 12 months	3,506,914.64	3,880,647.42	1,704,366.04	1,942,235.42
Over 12 months	40,369,378.48	25,318,891.96	30,206,794.09	16,156,803.57
<b>Unbilled receivables - others</b>				
Not yet due	34,779,231.26	38,169,038.36	23,285,943.79	36,656,538.36
Past due				
Less than 3 months	12,743,420.44	21,708,699.52	11,091,312.29	21,708,699.52
Over 3 months but not over 6 months	1,853,088.26	389,200.00	1,656,730.11	389,200.00
Over 6 months but not over 12 months	-	1,223,302.36	-	1,223,302.36
Over 12 months	2,755,217.58	5,767,546.36	2,755,217.58	5,767,546.36
<b>Total trade receivables - others</b>	<b>309,628,074.71</b>	<b>295,649,085.94</b>	<b>186,167,638.89</b>	<b>193,573,110.06</b>
<b>Total</b>	<b>310,021,299.71</b>	<b>296,265,410.81</b>	<b>192,288,133.90</b>	<b>197,159,084.57</b>
Less: Allowance for doubtful accounts	(24,563,209.02)	(24,830,770.02)	(15,775,681.63)	(15,775,681.63)
<b>Trade receivables – net</b>	<b>285,458,090.69</b>	<b>271,434,640.79</b>	<b>176,512,452.27</b>	<b>181,383,402.94</b>



CMO PUBLIC COMPANY LIMITED

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On June 19, 2012, a government education institution agreed to pay for the over 12 months overdue amount of Baht 7.30 million on the installment basis up to October 23, 2014. As at December 31, 2014, the remaining amount of debt is Baht 1.15 million. The management expects to receive the full settlement accounting to the agreement. Therefore the Company did not provide an allowance for the doubtful accounts.

Part of over 12 months overdue receivables, which have not yet been provided for the allowance for doubtful accounts, represented amount due to government enterprise. The management is under the process of following up and believes that they will finally be recovered.

**8. WORK IN PROCESS - NET**

Work in process as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Work in process	21,069,174.71	14,420,138.10	15,340,423.12	14,780,326.86
Loss on inventory devaluation	(862,382.56)	(862,382.56)	-	-
<b>Total</b>	<b>20,206,792.15</b>	<b>13,557,755.54</b>	<b>15,340,423.12</b>	<b>14,780,326.86</b>

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## 9. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment as at December 31, 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements			
	Movement during the year			
	As at January 1, 2014	Increase	Decrease / transfer	As at December 31, 2014
<b>Cost</b>				
Land				
- At cost	65,702,303.07	-	-	65,702,303.07
- Revaluation surplus	73,185,973.54	-	-	73,185,973.54
At appraised value	138,888,276.61	-	-	138,888,276.61
Buildings	181,015,969.53	109,114,977.20	2,108,120.00	288,022,826.73
Building improvements	3,933,413.42	44,122,696.78	-	48,056,110.20
Operating equipment	485,363,647.25	62,445,016.83	796,975.42	547,011,688.66
Office equipment	53,553,906.19	22,958,875.25	6,503,800.89	70,008,980.55
Furniture and fixtures	2,641,244.32	439,082.53	-	3,080,326.85
Vehicles	28,399,987.69	1,937,009.35	3,219,000.00	27,117,997.04
Work in progress	59,213,013.12	58,809,315.23	113,159,836.34	4,862,492.01
Supplies - lighting	2,127,075.10	3,280,885.00	2,717,667.57	2,690,292.53
Other supplies	539,300.40	79,134.35	21,483.00	596,951.75
<b>Total</b>	<b>955,675,833.63</b>	<b>303,186,992.52</b>	<b>128,526,883.22</b>	<b>1,130,335,942.93</b>
<b>Accumulated depreciation</b>				
Buildings	25,233,195.10	11,178,778.40	2,108,114.00	34,303,859.50
Building improvements	4,630,636.39	4,297,910.14	-	8,928,546.53
Operating equipment	324,617,236.56	51,876,163.69	485,079.39	376,008,320.86
Office equipment	31,579,917.04	9,715,624.66	6,322,748.77	34,972,792.93
Furniture and fixtures	2,009,996.46	289,418.67	-	2,299,415.13
Vehicles	15,611,840.75	4,152,576.52	699,572.63	19,064,844.64
<b>Total</b>	<b>403,682,822.30</b>	<b>81,510,472.08</b>	<b>9,615,514.79</b>	<b>475,577,779.59</b>
<b>Allowance for impairment</b>	<b>239,309.71</b>	<b>3,395,327.72</b>	<b>-</b>	<b>3,634,637.43</b>
<b>Net booked value</b>	<b>551,753,701.62</b>			<b>651,123,525.91</b>

Depreciations for the years ended December 31, 2014 and 2013, amounted to Baht 81.51 million and Baht 57.59 million, respectively, in the Company's consolidated statements of comprehensive income.



As at December 31, 2014 and 2013, the Group's equipment and vehicles amounting to Baht 279.86 million and Baht 268.63 million, respectively, are fully depreciated but still in use.

The Group's land and construction are mortgaged as collateral for letters of guarantee, bank overdrafts and loans from financial institutions.

	Unit : Baht			
	Separate financial statements			
	Movement during the year			
	As at January 1, 2014	Increase	Decrease / transfer	As at December 31, 2014
<b>Cost</b>				
Land				
- At cost	390,000.00	-	-	390,000.00
At appraised value	390,000.00	-	-	390,000.00
Buildings	-	74,544,048.20	-	74,544,048.20
Building improvements	-	32,911,063.78	-	32,911,063.78
Operating equipment	42,656,640.63	4,179,145.10	-	46,835,785.73
Office equipment	6,055,188.81	10,599,831.13	2,941,767.16	13,713,252.78
Vehicles	9,076,253.28	51,214.96	-	9,127,468.24
Work under construction	34,154,805.51	12,365,660.70	45,783,166.21	737,300.00
<b>Total</b>	<b>92,332,888.23</b>	<b>134,650,963.87</b>	<b>48,724,933.37</b>	<b>178,258,918.73</b>
<b>Accumulated depreciation</b>				
Buildings	-	3,333,771.80	-	3,333,771.80
Building improvements	-	3,947,401.62	-	3,947,401.62
Operating equipment	33,909,190.26	3,470,220.06	-	37,379,410.32
Office equipment	3,104,766.92	2,267,593.89	2,892,507.10	2,479,853.71
Vehicles	3,813,169.24	1,474,877.53	-	5,288,046.77
<b>Total</b>	<b>40,827,126.42</b>	<b>14,493,864.90</b>	<b>2,892,507.10</b>	<b>52,428,484.22</b>
<b>Allowance for impairment</b>	<b>239,309.71</b>	<b>2,758,889.17</b>		<b>2,998,198.88</b>
<b>Net booked value</b>	<b>51,266,452.10</b>			<b>122,832,235.63</b>

Depreciations for the years ended December 31, 2014 and 2013, amounted to Baht 14.49 million and Baht 6.46 million, respectively, in the Company's separate statements of comprehensive income.

As at December 31, 2014 and 2013, the Company's equipment and vehicles amounting to Baht 34.54 million and Baht 31.67 million, respectively, are fully depreciated but still in use.

## 10. DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets and liabilities during the periods were as follows:

	Unit: Thousands Baht			As at December 31, 2014
	Consolidated financial statements			
	As at January 1, 2014	Movement increase (decrease)		
		Profit (loss)	Other comprehensive income	
Deferred tax assets :				
Allowance for doubtful accounts	4,178	(53)	-	4,125
Inventories	173	-	-	173
Allowance for impairment	48	679	-	727
Allowance for Investment	-	1,578	-	1,578
Provision for employee benefit obligations	763	(378)	-	385
Reserve for share-based payment	591	218	-	809
Provision	-	360	-	360
Tax loss carried forward	-	8,325	-	8,325
<b>Total deferred tax assets</b>	<b>5,753</b>	<b>10,729</b>	<b>-</b>	<b>16,482</b>
Deferred tax liabilities :				
Surplus on land revaluation	15,537	-	(900)	14,637
Depreciation	2,385	1,785	-	4,170
<b>Total deferred tax liabilities</b>	<b>17,922</b>	<b>1,785</b>	<b>(900)</b>	<b>18,807</b>

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Unit: Thousands Baht

	Separate financial statements			As at December 31, 2014
	As at	Movement increase (decrease)		
	January 1,	Profit (loss)	Other comprehensive	
	2014		income	
Deferred tax assets :				
Allowance for doubtful accounts	3,183	-	-	3,183
Allowance for impairment	48	552	-	600
Allowance for investment	-	1,578	-	1,578
Provision for employee benefit obligations	204	22	-	226
Reserve for share-based payment	591	218	-	809
Provision	-	360	-	360
Tax loss carried forward	-	6,496	-	6,496
<b>Total deferred tax assets</b>	<b>4,026</b>	<b>9,226</b>	<b>-</b>	<b>13,252</b>
Deferred tax liabilities :				
Surplus on land revaluation	600	-	(600)	-
<b>Total deferred tax liabilities</b>	<b>600</b>	<b>-</b>	<b>(600)</b>	<b>-</b>

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Income tax for the year ended December 31, as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit (loss) before income tax	(30,841)	55,856	(37,419)	37,771
Income tax rate	20%	20%	20%	20%
Current income tax as tax rate	(6,168)	11,172	(7,484)	7,554
Non-deductible expenses by the Revenue Code	2,077	2,083	1,113	1,567
Double expenses by the Revenue Code	(139)	(214)	(45)	(28)
Dividend income	-	-	(3,410)	(5,765)
Disposal of deferred tax assets	-	833	-	-
Loss on disposal of investment	(1,578)	-	-	-
Unused tax loss	1,299	984	-	-
Inter-company transactions	(844)	90	-	-
Difference from income tax rate	(156)	(168)	-	-
Tax (revenue) expense	(5,509)	14,780	(9,826)	3,328
The average effective tax rate	18%	26%	26%	9%

The Group used income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 2014 and 2013 attributable to the Section 5 of the Royal Decree Issued Under the Revenue Code Regarding Deduction in Tax Rate (No. 577) B.E. 2557 and (No. 530) B.E. 2554, respectively. For Subsidiaries and Joint Ventures which have net profit and paid-up capital under the tax criteria, the progressive rates are applied.

#### 11. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Withholding income tax	44,799,898.70	29,788,954.16	27,969,455.55	24,808,428.59
Deposits	4,512,033.66	4,459,927.58	2,879,446.67	3,761,773.46
Total	49,311,932.36	34,248,881.74	30,848,902.22	28,570,202.05

12. **BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

Bank overdrafts and short-term loans from financial institutions as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Bank overdrafts	36,885,944.56	45,101,275.83	15,914,503.01	9,616,544.26
Promissory notes	228,240,505.05	190,320,000.00	153,500,000.00	159,620,000.00
Total bank overdrafts and short-term loans from financial institutions	265,126,449.61	235,421,275.83	169,414,503.01	169,236,544.26

As at December 31, 2014 and 2013, the Group had bank overdrafts and short-term loans facilities as follows:-

	Unit: Million Baht	
	2014	2013
CMO Public Company Limited and subsidiaries	552.5	320
CMO Public Company Limited	280	220

As at December 31, 2014 and 2013, bank overdrafts, short-term loans, and long-term loan from financial institutions, charged with interest rates between the market rate and MOR, are guaranteed by some of the Company's and subsidiaries' directors, by a mortgage of the Group's land and construction and by restricted deposits at bank.



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### 13. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables				
Trade payables - related parties	-	1,000,000.00	14,279,198.46	21,650,302.10
Trade payables - others	115,769,316.37	60,774,723.80	71,089,235.54	42,079,264.82
<b>Total trade payables</b>	<b>115,769,316.37</b>	<b>61,774,723.80</b>	<b>85,368,434.00</b>	<b>63,729,566.92</b>
Other payables				
Other payables	2,514,739.64	2,651,919.34	1,823,615.06	1,406,767.75
Accrued expenses	15,824,413.24	21,264,078.88	1,893,155.67	1,546,862.83
Accrued interest expense	7,089.04	7,983.45	-	-
Accrued withholding tax	5,385,655.04	6,758,594.66	3,599,992.93	4,462,184.64
Accounts payable for purchases of				
fixed assets	6,080,233.42	3,838,462.96	1,870,654.82	2,023,812.51
Unearned income received from customers	54,711,852.58	5,931,404.00	3,681,931.34	4,211,618.96
Deposits	-	1,050,000.00	-	-
Revenue Department payable	6,802,802.36	479,256.37	3,146,685.11	292,535.98
Undue output VAT	18,110,423.29	15,296,164.72	9,108,370.58	7,668,265.74
Retention guarantees	11,143,951.28	6,756,979.30	2,532,981.98	675,000.00
Others	5,041,002.37	2,008,574.18	2,161,395.28	621,948.11
<b>Total other payables</b>	<b>125,622,162.26</b>	<b>66,043,417.86</b>	<b>29,818,782.77</b>	<b>22,908,996.52</b>
<b>Total trade and other payables</b>	<b>241,391,478.63</b>	<b>127,818,141.66</b>	<b>115,187,216.77</b>	<b>86,638,563.44</b>

On December 19, 2013, a Subsidiary entered into an agreement to sell land and building with a third party in the amount to Baht 10.50 million, (Net book value of Baht 7.92 million as at December 31, 2013). Under the agreement, the Company had received a deposit of Baht 1.05 million. The transfer of ownership on land is agreed to be made within March 3, 2014. *mc*



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#### 14. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liabilities under financial lease agreements as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Due within 1 year				
Minimum payments	35,835,372.84	42,577,003.15	1,322,983.16	1,371,083.16
Deferred interest	(2,956,277.65)	(4,346,407.63)	(102,882.60)	(160,242.87)
Present value of minimum payment	<u>32,879,095.19</u>	<u>38,230,595.52</u>	<u>1,220,100.56</u>	<u>1,210,840.29</u>
Due over 1 year not exceeding 5 years				
Minimum payments	26,397,728.02	43,379,055.21	766,615.04	2,089,598.24
Deferred interest	(1,273,677.16)	(2,366,010.10)	(23,476.51)	(126,315.20)
Present value of minimum payment	<u>25,124,050.86</u>	<u>41,013,045.11</u>	<u>743,138.53</u>	<u>1,963,283.04</u>
Net book value of equipment				
under finance leases agreements	<u>91,957,247.53</u>	<u>117,244,054.81</u>	<u>3,699,974.45</u>	<u>5,158,758.66</u>

The Group entered into lease agreements with a bank and certain companies for operating equipment and vehicles. The leases agreements have the terms of one to five years and bear interest rates between 4.45% to 10.86% per annum.

#### 15. LONG-TERM LOANS FROM FINANCIAL INSTITUTION - NET

Long- term loans from financial institution as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Long-term loans from banks	190,699,290.86	104,696,689.92	64,600,000.00	-
<u>Less current portion</u>	<u>(35,500,619.06)</u>	<u>(18,104,000.00)</u>	<u>(9,933,000.00)</u>	-
Long-term loans - net	<u>155,198,671.80</u>	<u>86,592,689.92</u>	<u>54,667,000.00</u>	-

On September 23, 2014, a subsidiary obtained a long-term loan from a local bank with the credit line of Baht 15 million. The loan bears the interest at the rate of MLR-1.50 per annum. The repayments of the principal will be made within 36 equal monthly installments of Baht 0.13 million for the 1<sup>st</sup> to 7<sup>th</sup> months, Baht 0.545 million for the 8<sup>th</sup> to 35<sup>th</sup> months and full settlement for the 36<sup>th</sup> month starting in October 2014. The loan is secured by pledge of fixed deposit and guaranteed by the Company.



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On January 8, 2014, the Company obtained a long-term loan from a local bank with the credit line of Baht 65 million. For the first years, the loan bears the interest at the rate of MLR-1 per annum and after that loan bears the interest at the rate of MLR per annum. The repayments of the principal will be made within 72 equal monthly installments of Baht 903,000 each starting in February 2015.

On August 15, 2013, a subsidiary obtained a long-term loan from a local bank with the credit line of Baht 25 million. For the first two years, the loan bears the interest at the rate of MLR-1 per annum and after two years the loan bears the interest at the rate of MLR per annum. The repayments of the principal will be made within 72 equal monthly installments of Baht 0.38 million each starting in August 2014.

On August 5, 2013, a subsidiary obtained a long-term loan from a local bank with the credit line of Baht 12 million. For the first two years, the loan bears the interest at the rate of MLR-1 per annum and after two years the loan bears the interest at the rate of MLR per annum. The repayments of the principal will be made within 72 equal monthly installments of Baht 0.17 million each starting in August 2014.

On December 14, 2012, a subsidiary obtained a long-term loan from a local bank with the credit line of Baht 80 million. For the first two years, the loan bears the interest at the rate of MLR-1 per annum and after two years the loan bears the interest at the rate of MLR per annum. The repayments of the principal will be made within 77 equal monthly installments of Baht 1.03 million each starting in August 2014.

On December 14, 2013, a subsidiary obtained a long-term loan from a local bank with the credit line of Baht 1.5 million. The loan bears the interest at the rate of MLR-1 per annum. The repayments of the principal will be made within 24 equal monthly installments of Baht 0.0625 million each starting in February 2013.

The loans above are guaranteed by a mortgage of the subsidiary's land and construction and guaranteed by the Company and a subsidiary.

On April 26, 2013, a subsidiary obtained a long-term loan from a local bank with the credit line of Baht 15 million. The loan bears the interest at the rate of MLR-1.25 per annum. The repayments of the principal will be made within 24 equal monthly installments of Baht 0.675 million each starting in May 2013. The loan is pledge by fixed account and guaranteed by the Company. *m*





## 16. EMPLOYEE BENEFITS OBLIGATIONS

The Group made defined benefit plan in accordance with severance payment under the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last salary.

Movements of the present value of employee benefits obligation for the years ended December 31, are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Post-employment benefit plan</u>				
Defined benefit obligations beginning of years	4,194,081.43	3,690,922.78	1,020,196.43	919,446.78
Current service costs	164,441.01	325,254.00	53,566.01	57,575.00
Cost of interest	96,283.00	177,904.65	51,292.00	43,174.65
Employee benefits obligation paid during the year	(2,069,029.00)	-	-	-
Actuarial (gains) loss	(267,890.44)	-	3,806.56	-
Defined benefit obligations end of years	<u>2,117,886.00</u>	<u>4,194,081.43</u>	<u>1,128,861.00</u>	<u>1,020,196.43</u>

Employee benefit expenses in the statements of comprehensive income for the years ended December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	164,441.01	325,254.00	53,566.01	57,575.00
Cost of interest	96,283.00	177,904.65	51,292.00	43,174.65
Total employee benefits expenses	<u>260,724.01</u>	<u>503,158.65</u>	<u>104,858.01</u>	<u>100,749.65</u>

Employee benefit expenses for years ended December 31, as shown in the statements of comprehensive income are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Administrative expenses	260,724.01	503,158.65	104,858.01	100,749.65
Total employee benefits expenses	<u>260,724.01</u>	<u>503,158.65</u>	<u>104,858.01</u>	<u>100,749.65</u>

Principal actuarial assumptions as at December 31, 2014 and 2013 (expressed as weighted averages) are as follows:

	(Percentage/Year)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate	4.76 - 4.79	4.42	4.76	4.42
Future salary increases	7 - 9.93	6.93	9.93	6.93
Mortality rate	As Mortality Table 2008	As Mortality Table 1997	As Mortality Table 2008	As Mortality Table 1997

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

#### 17. SHARE CAPITAL

On November 12, 2012, the Company issued the warrants to purchase the Company's ordinary shares offering to the existing shareholders at a ratio of 5 new ordinary shares to 1 unit of warrant of 30.00 million units with the price of Baht 0.00 per unit, the exercise price at Baht 2.00, warrant term is within 3 years at the rate of one warrant for one share. The warrant holders shall be exercised on April 1, 2013, October 1, 2013, April 1, 2014, October 1, 2014, April 1, 2015, and the last exercise date is November 11, 2015.

As at December 31, 2014, unexercised warrants are 23,999,600 units or equivalent to 23,999,600 shares.

#### 18. RESERVE FOR SHARE-BASED PAYMENTS

On November 12, 2012, the Company issued the warrants to purchase the Company's ordinary shares offering to directors and employees of the Company (ESOP) of 5.00 million units with the price of Baht 0.00 per unit, the exercise price at Baht 1.80, warrant term is within 3 years at the rate of one warrant for one share. The warrant holders shall be exercised on the 1st of February and September of each year and to be exercised in the first year of 20 %, the second year of 30 % and the third year of, 50 %.

As at December 31, 2014, unexercised warrants are 4,487,400 units. *mc*



**19. LEGAL RESERVE**

In compliance with the Public Company Act, B.E. 2535 (1992), the Company set aside as a legal reserve at least 5% of its net profit until the reserve equal 10% of the authorized share capital. This reserve is not available for dividend distribution.

**20. DIVIDEND PAYMENT**

Pursuant to annual meeting of shareholders held on April 29, 2014, the shareholders authorized the payment of a dividend from the profit for the year 2013 to shareholders of Baht 0.10 per share, amounting to Baht 19.08 million to eligible shareholders. The dividend was paid on May 27, 2014.

Pursuant to annual meeting of shareholders held on April 25, 2013, the shareholders authorized the payment of a dividend from the profit for the year 2012 to shareholders of Baht 0.10 per share, amounting to Baht 19.07 million to eligible shareholders. The dividend was paid on May 7, 2013.

**21. EXPENSES BY NATURE**

Expenses by nature for the years ended December 31, are as follows:

(Unit : million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost of service	700.11	681.42	421.57	433.82
Employee benefits	246.70	231.93	121.19	120.57
Depreciation	81.51	57.77	14.97	6.50
Loss on assets impairment	3.40	-	2.76	-
Advertising fee	23.94	6.51	7.56	2.11
Management compensation	51.53	44.18	26.47	24.77



## 22. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share for the years ended December 31, 2014 and 2013 were calculated as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net profit (loss) attributable to shareholders of the parent (Baht)	(32,447,642)	33,263,732	(27,592,987)	34,443,003
Number of ordinary share outstanding				
at beginning of years	190,754,935	187,494,835	190,754,935	187,494,835
Effect of conversion warrants to shares capital	747,945	2,252,355	747,945	2,252,355
Effect of conversion warrants to ESOP	85,581	213,583	85,581	213,583
Weighted average number of ordinary shares outstanding during the years	191,588,461	189,960,773	191,588,461	189,960,773
Basic earnings (loss) per share (Baht)	(0.17)	0.18	(0.14)	0.18
Number of ordinary shares outstanding (basic)	191,588,461	189,960,773	191,588,461	189,960,773
Effect of warrants to be exercised				
Allocated to the existing shareholders	741,762	6,592,998	741,762	6,592,998
Allocated to directors and employees	573,564	1,515,805	573,564	1,515,805
Weighted average number of ordinary shares outstanding during the year (diluted)	192,903,787	198,069,576	192,903,787	198,069,576
Diluted earnings (loss) per share (Baht)	(0.17)	0.17	(0.14)	0.17



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## 23. FINANCIAL INFORMATION BY SEGMENT

The Group operates the event management for public, exhibition and various entertainment activities in Thailand. The revenues separated by business segments are as follows:

For the year ended December 31, 2014

	Unit : Thousands Baht						Total
	Consolidated Financial Statements						
	Organizer	Rental Equipment	Production of Media	Online Media	Installation supplies and Electrical	Eliminated	
Revenues							
Marketing and Promotion Events	337,304						
Trade Shows and Exhibitions	145,077						
Public Events	91,316						
Professional Exhibition Organizer	18,938						
<b>Total</b>	<b>592,635</b>	<b>356,156</b>	<b>46,025</b>	<b>22,326</b>	<b>140,623</b>	<b>(83,051)</b>	<b>1,074,714</b>
Cost of services							(876,648)
Gross profit							198,066
Other incomes							19,724
Selling expenses							(27,224)
Administrative expenses							(192,732)
Finance costs							(28,675)
Loss before income tax expense							(30,841)
Tax revenue							5,509
Profit for the year							(25,332)
Other comprehensive income							-
<b>Total comprehensive income for the year</b>	<b>(32,798)</b>	<b>(166)</b>	<b>1,005</b>	<b>(981)</b>	<b>12,546</b>	<b>(4,938)</b>	<b>(25,332)</b>
Profit (loss) attributable to							
Equity holders of the Company							(32,448)
Non-controlling interests							7,116
							<u>(25,332)</u>
<b>As at December 31, 2014</b>							
Trade and other receivables - net	200,296	142,557	13,392	9,639	13,779	(32,793)	346,870
Property plant and equipment - net	122,832	466,388	52,063	591	11,520	(2,271)	651,123
Others	290,924	45,036	2,581	1,256	18,952	(223,309)	135,440
<b>Total Assets</b>	<b>614,052</b>	<b>653,981</b>	<b>68,036</b>	<b>11,486</b>	<b>44,251</b>		<b>1,133,433</b>



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For the year ended December 31, 2013

Unit : Thousands Baht

Consolidated Financial Statements							
	Installation						
	Rental	Production of	Online Media	supplies and			
	Organizer	Equipment	Media	Marketing	Electrical	Eliminated	Total
<b>Revenues</b>							
Marketing and Promotion Events	340,500						
Trade Shows and Exhibitions	210,607						
Public Events	67,601						
Professional Exhibition Organizer	23,051						
<b>Total</b>	<b>641,759</b>	<b>353,157</b>	<b>36,552</b>	<b>15,793</b>	<b>136,031</b>	<b>(87,958)</b>	<b>1,095,334</b>
Cost of services							(847,943)
Gross profit							247,391
Other incomes							8,201
Selling expenses							(12,970)
Administrative expenses							(168,253)
Finance costs							(18,513)
Loss before income tax expense							55,856
Tax expense							(14,780)
Profit for the year							41,076
Other comprehensive income							-
<b>Total comprehensive income for the year</b>	<b>29,522</b>	<b>25,658</b>	<b>2,131</b>	<b>1,077</b>	<b>11,964</b>	<b>(29,276)</b>	<b>41,076</b>
<b>Profit attributable to</b>							
Equity holders of the Company							33,264
Non-controlling interests							7,812
							41,076
<b>As at December 31, 2013</b>							
Trade and other receivables - net	207,245	93,286	5,093	5,750	13,352	(36,615)	288,111
Property plant and equipment - net	51,266	472,265	19,407	980	12,055	(4,219)	551,754
Others	312,284	18,563	14,921	1,007	9,439	(230,280)	125,934
<b>Total Assets</b>	<b>570,795</b>	<b>584,114</b>	<b>39,421</b>	<b>7,737</b>	<b>34,846</b>		<b>965,799</b>



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## 24. FINANCIAL INSTRUMENTS

### Financial Risk Management

The Group is exposed to risks from changes in market interest rates, and from nonperformance of contractual obligations by counterparties. The Group does not use derivative instruments to manage such risks. They do not hold or issue derivative instruments for speculative or trading purposes.

### Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's exposure to interest rate risk relates primarily to its deposits with and loans from financial institutions, and short-term loans from related parties.

Since the majority of these financial assets and liabilities are short-term and long-term loans bear floating interest rate, the Company and its subsidiaries believe that there will be no material impact on the Company and its subsidiaries' financial statements.

### Exchange rate risk

The Company has no transactions in foreign currencies, therefore, there is no exchange rate risk.

### Credit Risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable including the related company receivables. However, due to the large number of entities comprising the Company's and its subsidiaries customer base, the Group does not anticipate material losses from their debt collections.

### Fair Value

As the majority of financial assets and liabilities are short-term and long-term loans bear floating interest rate, the Company's and the subsidiaries' management believe that their carrying values of financial assets and liabilities do not materially differ from their fair value.

## 25. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2014 and 2013, the Group has contingent liabilities in relation to the letters of guarantee issued by banks amounting to approximately Baht 114 million and Baht 94 million, respectively.

As at December 31, 2014, the Group and the Company had a commitment under the construction contracts amounting to approximately Baht 1.25 million and Baht 3.58 million, respectively.

As at December 31, 2014 and 2013 the Company and the Group had a commitment under the consulting contracts amounting to Baht 13.75 million and Baht 19.41 million, respectively.



The Group has commitments with regard to operating lease agreement where the Group is the lessee with leasing terms of 1 - 3 years.

As at December 31, 2014 and 2013, the Group had obligations to pay lease payments in the future as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Due within 1 year	2.17	0.53	1.86	-
Due over 1 year but not over 5 years	4.96	0.70	1.86	-
<b>Total</b>	<b>7.13</b>	<b>1.23</b>	<b>3.72</b>	<b>-</b>

On December 18, 2014, the Company entered into an agreement to lease a space with a company. The agreement has a term of 3 years, the Company has to pay deposit in the amount of Baht 15.44 million by 10 monthly installment starting from January 2015. The Company had obligations to pay rental fee, utilities and property tax as follows:

Year 1 3,939,238.50 Baht per month

Year 2 3,994,300.36 Baht per month

Year 3 4,052,115.31 Baht per month

## 26. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2552. Both employees and the Company contribute to the fund monthly at the rate of 3% of 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. Total contributions by the Group for the year ended December 31, 2014 and 2013 amounted to approximately Baht 4.38 million and Baht 4.33 million respectively, in the consolidated financial statement and amounted to Baht 2.53 million and Baht 2.45 million respectively, in the separated financial statement.

## 27. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, excluding Non-controlling interests and also monitors the level of dividends to ordinary shareholders.

## 28. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Board of Directors to be issued on February 25, 2015.



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