



บริษัท อสมท จำกัด (มหาชน)
MCOT PUBLIC COMPANY LIMITED



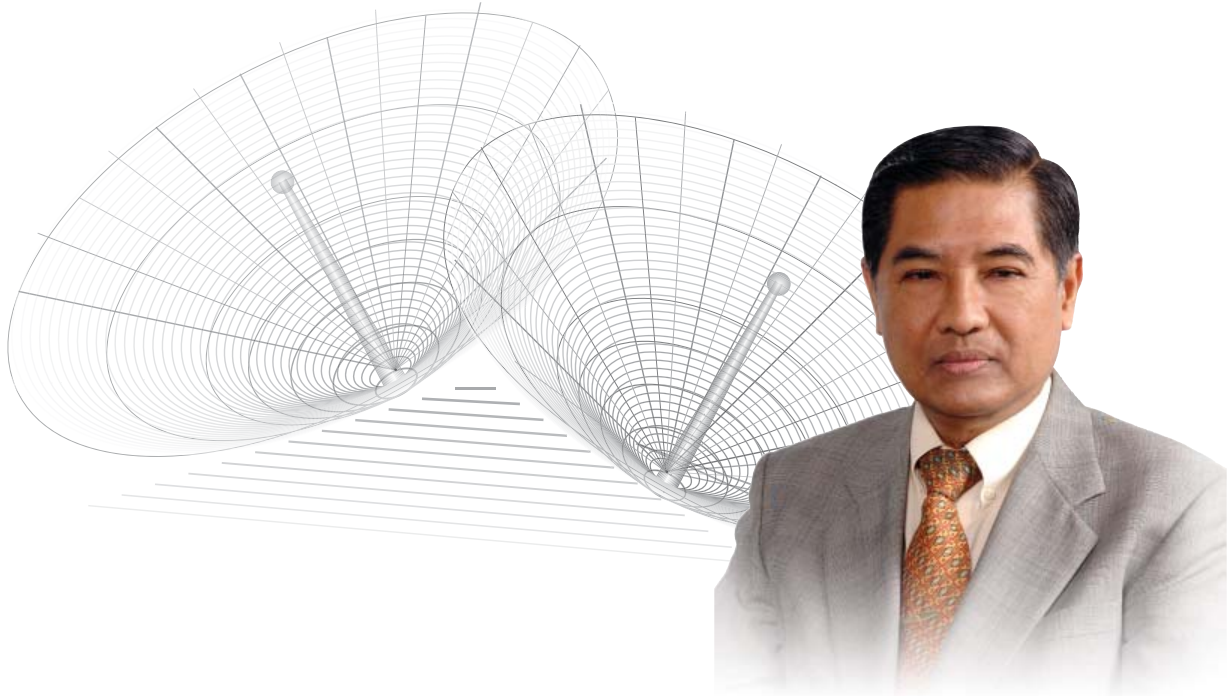
ANNUAL REPORT 2005

January - December

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Message from Chairman of the Board of Directors MCOT Public Company Limited

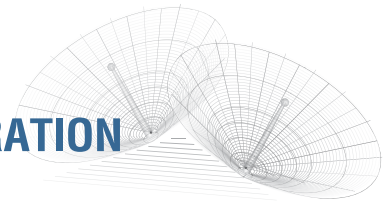


The anniversary of Mass Communication of Thailand (MCOT)'s conversion into MCOT Public Company Limited is on 17 August 2005, and its anniversary of being listed on the Stock Exchange of Thailand is on 17 November 2005. The Company has operated its businesses, developed products and modernized the organization by developing its management structure under the leadership of experienced leaders. The Company has also improved its business operation models by initiating the proactive marketing and implementing integrated mass media strategy for its highest joint-benefit. Furthermore, excellent programs to enhance both knowledge and entertainment have been carefully selected to impress groups of targeted customers undertaken under the most-recent technology including awareness of social responsibility. Consequently, the Company's business performance obtained the continual growth, especially the income gained from television businesses that reached Baht 2,000 million for the first time and also the first time when its overall income met over Baht 3,000 million even though the Company faced strong competition in the mass media industry including the effect of economic status caused by the fluctuating petrol prices in the global market.

The said good performance certainly pinpoints capabilities of the Company's management at all levels, from the Board of Directors to every employee of the Company who are, at all time, ready and fully sacrifice themselves to perform their duties. We are proud of the Company's success and growth to be taken part by everyone who is so pleased to push MCOT Plc. forward to stand as a professional mass media agency having long and wide vision and sustaining the standpoint of creating the Thai knowledge-based society.

Mr. Rawat Chamchalerm
Chairman of the Board of Directors
MCOT Public Company Limited

REPORT FROM THE BOARD OF DIRECTORS ON THE RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS



Financial reports shown in the Company's annual report consisting of the balance sheet, the statement of income, the statement of changes in shareholders' equity, the statement of cash flows and notes to the financial statements were prepared by the Company's management in compliance with the generally accepted accounting principles under the appropriate accounting policy, consistent practices, careful discretion and best estimation as well as adequate information disclosure.

The Board of Directors has provided and maintained the efficient internal control system of the Company to reasonably ensure that accounting records shall be treated accurately, completely and sufficiently to take care of the Company's assets and any dishonesty or abnormal acts shall be extensively prevented.

The Board of Directors appointed the Audit Committee consisting of directors who have been independent from the Company's management. The Audit Committee was assigned duties of supervising and reviewing financial reports of the Company to keep them recorded accurately and efficiently whereas the internal control system and internal audit have been undertaken properly and efficiently. Comments of the Audit Committee regarding these matters were shown in the Report from the Audit Committee contained in this Annual Report.

MCOT Plc. assigned the certified public accountant, the Office of the Auditor General of Thailand, to conduct the audits of such financial statements in accordance with the generally accepted accounting standards to report its independent opinion about the accuracy and appropriateness of financial status and performance shown in those financial statements. The report of the certified public accountant is also shown herein.

(Mr. Rawat Chamchalerm)

Chairman of the Board of Directors

on behalf of the Board of Directors of MCOT Plc.

BOARD OF DIRECTORS



Mr. Rawat Chamchalerm
Chairman (Independent Director)

Education

- National Defence College, Joint Public-Private Course (Class 1)
- LL.M., Chulalongkorn University
- Barrister, Thai Bar Association
- LL.B., Thammasat University

Passing Training Program organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)

Working Experience

- 2005 - Chairman of the Board of Directors, MCOT Plc.
- 2003 - 2004 - Attorney General, Office of the Attorney General
- Expert Director, Ministry of Public Health
 - Director, Government Pension Fund
 - Director, Board of Directors on Disclosure of Information
 - Vice Chairman, Thai Bar Association
- 2002 - 2004 - Chairman of the Board of Directors, The Mass Communication Organization of Thailand
- 2000 - 2003 - Deputy Attorney General, Office of the Attorney General
- 2000 - 2002 - Board of Director, The Mass Communication Organization of Thailand
- 2000 - Director General, Technical Affairs Department, Office of the Attorney General

Other Current Positions:

- Director, Provincial Waterworks Authority
- Director, Krung Thai Bank Plc.
- Director, Saengchai Sunthornwat Foundation
- Member of the Council of State, Office of the Council of State
- Director, National Olympic Committee of Thailand
- Director, the Committee for the organization of World University Summer Games 2007 Bangkok, Thailand
- Legal Counsel, Thai Airways International Plc.

Shareholding Status (31/12/05):

None

Illegal Record in Past 10 years:

None



Mr. Rongphol Charoenphandhu
Vice Chairman

Education

- National Defence College, Class 41 (Individual research)
- Ph.D. Monash University (Law)
- Barrister-at-Law
- Bachelor of Laws
- B. Jurisprudence, Monash University

Passing Training Program organized by Thai Institute of Directors Association (IOD)

- None

Working Experience

- 2005 - Vice Chairman of the Board of Directors, MCOT Plc.
- 2003 - 2004 - Deputy Permanent Secretary of the Office of the Prime Minister
- 2002 - 2004 - Board of Director, The Mass Communication Organization of Thailand
- 2000 - Deputy Secretary General, Office of the Council of State

Other Current Positions:

- Permanent Secretary of the Office of the Prime Minister
- Vice Chairman, CAT Telecom Plc.
- Director, Big C Supercenter Plc.
- Member of the Council of State (from 1994 to present), Office of the Council of State
- Legal Counsel, Sukhumvit Asset Management Co., Ltd. (SAM)
- Chairman, contractual execution for joint venture and operation of UHF television station (iTV Plc.)
- Expert Director, The Consumer Protection Board
- Director, Office of the Official Information Commission
- Director of Bureaucratic System Development
- Director of Administrative Procedure

Shareholding Status (31/12/05):

None

Illegal Record in Past 10 years:

None





Mr. Pavich Tongroach
Independent Director



Mrs. Ornanong Maneekarn
Director

Education

- National Defence College, Class 42
- Doctor of Philosophy (Ph.D.) (Pharmacology), The University of London
- Master of Science - Neurobiology, Bedford & Chelsea Colleges, The University of London
- B.Sc. (Pharmacy), Mahidol University

Passing Training Programs organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)
- Registration System for Directors of Listed Companies and Directors' Manual
- Developing Corporate Governance Policy

Working Experience

- 2005 - Board of Director, MCOT Plc.
- Jun-Aug 2003 - Board of Director, The Mass Communication Organization of Thailand
- 2000 - 2003 - Rector, Maha Sarakham University
- Executive Chairman, Pharmaceutical Technology Service Center

Other Current Positions:

- Secretary General, Board of Tertiary Education Director
- Special Professor of Pharmaceutical Sciences, Faculty of Pharmaceutical Sciences, Naresuan University

Shareholding Status (31/12/05): None

Illegal Record in Past 10 years: None

Education

- M.A. (Public Administration), NIDA
- LL.B., Thammasat University
- B.A. (Accounting), Thammasat University

Passing Training Programs organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)
- Corporate Governance Survey for Listed Companies 2005

Working Experience

- 2005 - Board of Director, MCOT Plc.
- 2002 - 2004 - Board of Director, The Mass Communication Organization of Thailand

Other Current Positions:

- Deputy Comptroller General
- Director, Panorama Worldwide Co., Ltd.
- Director, Botanic Garden Organization

Shareholding Status (31/12/05): None

Illegal Record in Past 10 years: None



Mr. Prakit Prachonpachanuk
Independent Director

Education

- M.A. (Political Science), Chulalongkorn University
- B.A. (Political Science) (2nd Class Honors), Chulalongkorn University
- LL.B., Sukhothai Thammathirat University
- Senior Executive Course (Nor Bor Sor 2), Class 17
- Senior Executive Course (Nor Bor Sor 1), Class 8
- Training at the Strategic Study Center, Australia National University
- National Defence College, Class 34
- Army College, Class 34

Passing Training Programs organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)
- Registration System for Directors of Listed Companies and Directors' Manual

Working Experience

- 2005 - Board of Director, MCOT Plc.
2003 - 2004 - Board of Director, The Mass Communication Organization of Thailand

Other Current Positions:

- Deputy Secretary General, National Security Council

Shareholding Status (31/12/05):

None

Illegal Record in Past 10 years:

None



Mrs. Prisna Pongtadsirikul
Independent Director

Education

- M.A. (Political Science, Public Administration), Thammasat University
- B.A. (Political Science, International Affairs), Thammasat University
- National Defence College, Class 46
- Senior Executive Course (Nor Bor Sor), Class 29
- Senior IT Executives, Class 14
- Training courses on finance, fiscal, and budgeting

Passing Training Programs organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)

Working Experience

- 2005 - Board of Director, MCOT Plc.
2003 - 2004 - Board of Director, The Mass Communication Organization of Thailand
2002 - Deputy Permanent Secretary, Ministry of Culture
- Director, IT Development Center, Office of the Permanent Secretary, Office of the Prime Minister
2001 - Assistant Permanent Secretary, Office of the Prime Minister
2000 - Director, Office of the National Women Promotion and Coordination

Other Current Positions:

- The Audit Committee, MCOT Plc.
- Secretary General, National Culture Commission, Ministry of Culture

Shareholding Status (31/12/05):

None

Illegal Record in Past 10 years:

None





Mr. Tongthong Chandransu
Director

Education

- National Defence College, Class 4313
- B.A. (Communication Arts), Sukhothai Thammathirat University
- LL.M., Chulalongkorn University
- Barrister-at-Law, Thai Bar Association
- LL.M., New York University
- LL.B. (Honors), Chulalongkorn University

Passing Training Program organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)

Working Experience

- 2005 - Board of Director, MCOT Plc.
- 2000 - 2004 - Board of Director, The Mass Communication Organization of Thailand
- 2000 - 2001 - Dean of Law, Chulalongkorn University

Other Current Positions:

- Deputy Permanent Secretary, Ministry of Justice
- Member of Council of State, Office of the Council of State
- Spokesman, Ministry of Justice
- Chairman, Panorama Worldwide Co., Ltd.

Shareholding Status (31/12/05): None

Illegal Record in Past 10 years: None



Police General Somchai Prabhasabhakdi
Independent Director

Education

- Public Administration (Royal Thai Police Cadet Academy, 19th Batch)
- M.P.A., Graduate School of Public Administration, NIDA
- F.B.I. Course (93rd Batch), United States of America
- Army Chief of Staff School (Class 53)
- National Defence College (Joint Public-Private Course, Class 6)

Passing Training Program organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP 25/2004)
- Director Certification Program (DCP 51/2004)
- Audit Committee Program (ACP 2/2004)
- The Role of Chairman Program
- Raising the Awareness of Corporate Fraud in Thailand

Working Experience

- 2005 - Board of Director, MCOT Plc.
- 2002 - 2004 - Board of Director, The Mass Communication Organization of Thailand
- 2002 - Advisor, Office of the Prime Minister
- 2000 - 2002 - Assistant Commissioner General, Royal Thai Police

Other Current Positions:

- Chairman, The Audit Committee, MCOT Plc.

Shareholding Status (31/12/05): None

Illegal Record in Past 10 years: None





Mr. Somkiat Wanthana
Independent Director



Mr. Tawil Paungma
Independent Director

Education

- Ph.D. (Politics & History) Monash University, Melbourne, Australia
- Graduate diploma in International Relations and Development, Institute of Social Studies, The Hague, The Netherlands
- B.A. (Political Science) (1st Class Honors), Thammasat University

Passing Training Program organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)

Working Experience

- 2005 - Board of Director, MCOT Plc.
- 2003 - 2004 - Board of Director, The Mass Communication Organization of Thailand
- 2000 - 2003 - Dean, Faculty of Sociology, Kasetsart University

Other Current Positions:

- Associate Professor, Class 9, Department of Political Science and Public Administration, Faculty of Sociology, Kasetsart University
- Chairman, the Monitoring Subcommittee of MCOT Plc.

Shareholding Status (31/12/05):

None

Illegal Record in Past 10 years:

None

Education

- Ph.D. (Engineering - Satellite Communication), Nokai University, Japan
- M.Eng. (Electrical), KMIT Lat Krabang
- B.Eng. (Telecommunication), KMIT Lat Krabang

Passing Training Program organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)
- Finance for Non-Finance Directors
- Raising the Awareness of Corporate Fraud in Thailand

Working Experience

- 2005 - Board of Director, MCOT Plc.
- 2002 - 2004 - Board of Director, The Mass Communication Organization of Thailand
- 2000 - 2000 - Research Head, IT and Communication Research Office, KMIT Lat Krabang
- 2000 - 2001 - Vice Executive Chairman, Asian ISDN Council (AIC)

Other Current Positions:

- Audit Committee, MCOT Plc.
- Dean of Engineering, KMIT Lat Krabang
- Acting Director, IT and Communication Research Office, KMIT Lat Krabang

Shareholding Status (31/12/05):

None

Illegal Record in Past 10 years:

None





Mr. Prawit Ninsuvannakul
Independent Director

Education

- B.A. (Accounting), Chulalongkorn University
- Master of Accounting Science (M.A.S.), University of Illinois, U.S.A.
- Ph.D. (Accountancy), University of Illinois, U.S.A.
- Certified Public Accountant (C.P.A.)

Passing Training Programs organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)
- Registration System for Directors of Listed Companies and Directors' Manual
- Developing Corporate Governance Policy
- Directors Certification Program (DCP)
- Audit Committee Program (ACP)
- Chairman 2000

Working Experience

- | | |
|-------------|--|
| 2005 | - Board of Director, MCOT Plc. |
| 2001 - 2000 | - Chairman of the Committee to Improve Effectiveness and Efficiency of the Public Sector, The Civil Service Commission |
| | - Chairman of Ph.D. Accounting Programme, Chulalongkorn University |
| | - Dean, Faculty of Business Administration, NIDA |

Other Current Positions:

- Lay Judge, The Central Intellectual Property and International Trade Court, The Court of Justice
- Director, the Audit and Assessment of the Government Sector Committee, the Cabinet
- Audit Committee, MCOT Plc.
- Chairman of the Audit Committee and Company Director, Thai Plastic and Chemicals Plc.
- Chairman of the Professional Ethics Committee, Institute of Certified Accountants and Auditors of Thailand
- Director of the Accounting Standard and Policy of the Government Sector Committee, Ministry of Finance
- Director, the Development of the Internal Auditing system of the Government Agencies Committee, Ministry of Finance
- Director, the Assessment of the State Enterprises Committee, Ministry of Finance
- Chairman of the Board of Directors, Nilsuvan Co., Ltd.
- Chairman of the Board of Directors, Nilsuvan Management Advisory Co., Ltd.

Shareholding Status (31/12/05):

None

Illegal Record in Past 10 years:

None



Mr. Mingkwan Sangsuwan
Director and Secretary

Education

- Senior Executive Development Certificate, Wharton School, University of Pennsylvania, U.S.A.
- LL.B., Chulalongkorn University

Passing Training Programs organized by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP)

Working Experience

- 2005 - Board of Director, MCOT Plc.
- 2002 - 2004 - Board of Directors, The Mass Communication Organization of Thailand
- 2002 - Director and Secretary, Toyota Thailand Foundation
- 2001 - 2002 - Vice President, Toyota Motor (Thailand) Co., Ltd.
- 2000 - 2002 - Board of Directors, Toyota Motor (Thailand) Co., Ltd.

Other Current Positions:

- President, MCOT Plc.
- Director, Panorama Worldwide Co., Ltd.
- Director, Tourism Authority of Thailand

Shareholding Status (31/12/05):

0.056%

Illegal Record in Past 10 years:

None





Mr. Mingkwan Sangsuwan
President



Mr. Chitnarong Kunakridatikarn
Executive Vice President



Mrs. Aranrat Youkong
Executive Vice President



Mr. Sittisak Ekabhot
Executive Vice President



Mr. Sura Gaintanasilp
Vice President, Television Station

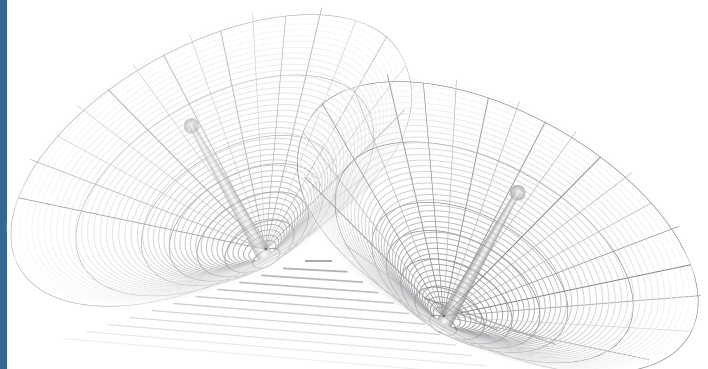


Mrs. Sansanee Wattananukul
Acting Vice President,
Office of Television Program Creation



Mr. Suthichai Bunnag
Vice President, Radio Stations

MANAGEMENT TEAM



บริษัท อสมท จำกัด (มหาชน)



Mrs. Veerawan Vararuth
Vice President,
Office of International News



Mr. Anirudh Thawema
Vice President, Office of Planning
and Budget and Acting
Vice President, Office of Human Resources



**Mrs. Kamalaseri Itsarangkoon
Na Ayudhaya**
Vice President, Office of the Inspector



Mrs. Sontawin Chanyawong
Vice President,
Office of Local News



Mr. Vongvith Vicharnarong
Vice President, Office of Engineering



Mrs. Soontree Kaewkorn
Vice President,
Office of Accounting and Finance



Mr. Chongrak Nigomsak
Acting Vice President,
Office of Internal Audit



Miss Buntanik Boonsin
Vice President, Office of Marketing 1



Mr. Kematat Paladesh
Vice President, Office of Marketing 2 and
Acting Vice President, Office of Radio
Program Creation and Special Activities



Mrs. Duangchai Maharakkhaka
Acting Vice President,
Office of Administration



Mr. Thanachai Wongthongsri
Acting Vice President, Office of Legal Affairs and
Company Secretary and Acting Vice President,
Office of Marketing Strategy

GENERAL INFORMATION

Company Name	: MCOT Public Company Limited (“MCOT Plc.”)
Type of Business	: Mass media business consisting of television and radio businesses (Modernine TV), radio broadcasting business (MCOT Radio Network), and agencies for news service and electronic media including businesses operated under the cooperation with other private operators pursuant to joint operation agreements.
Employees	: 1,224 (including 166 temporary employees)
Head Office Location	: 63/1 Rama IX Road, Khwaeng Huay Kwang, Khet Huay Kwang, Bangkok 10310
Registered Number	: 01077547000745 (Old Registered Number: 0107574700743)
Home Page	: http://www.mcot.net
Telephone	: 0 2201 6000
Facsimile	: 0 2245 1435
Registered Capital	: Baht 3,835,000,000, consisting of 767 million ordinary shares, 5 Baht par value per share. Total paid-up capital 3,435,496,050 Baht, consisting of 687,099,210 ordinary shares, 5 Baht par value per share.
Subsidiary	
Company Name	: Panorama Worldwide Company Limited
Type of Business	: Service business in association with the production of television programs for MCOT Public Company Limited and other companies
Employees	: 51
Head Office Location	: 298 Soi Lad Phrao 94 (Punjamit), Khwaeng Wang Thong Lang, Khet Wang Thong Lang, Bangkok 10310
Telephone	: 0 2934 4153-4
Facsimile	: 0 2934 4726
Registered Capital	: Baht 10 million, consisting of 1 million ordinary shares, 10 Baht par value per share. All shares have been issued and fully paid up.
Shareholding Status	: 49.0% of paid-up registered capital
References	
Registrar	: Thailand securities Depository Company Limited Located on Floor 4 and 6-7, The Stock Exchange of Thailand Building 62 Ratchadapisek Road Khwaeng Klong Toey, Bangkok 10500 Tel. 0 2359 1200-1 Fax. 0 2359 1259
Auditor	: Office of the Auditor General of Thailand Located on Rama VI Road, Khet Phayathai, Bangkok 10400 Tel. 0 2618 5803 Fax. 0 2618 5807

KEY FINANCIAL INFORMATION

Consolidated Financial Statements

Unit: million baht

Performance	2005 (Jan-Dec)	First Accounting Period (Oct-Dec 2004)
Total Assets	7,661.2	8,149.2
Total Liabilities	1,432.4	2,151.8
Net Shareholders' Equity	6,228.8	5,997.4
Sales Income	2,756.4	635.8
Total Income	3,478.4	840.6
Net Profit	1,103.8	158.5
Financial Ratios		
Net Profit Margin to Total Income (%)	31.7	18.9
Returns on Equity (%)	18.1	3.1
Returns on Total Assets (%)	14.0	2.2
Net Income per Share (Baht)	1.61	0.24

Note : The Company has transformed to MCOT Public Company Limited on 17 August 2004, and on 18 October 2004, the Ministry of Finance as the Company's major shareholder, passed its resolution for the Company's change of accounting period from the fiscal year (October - September) to the calendar accounting period (January - December). The Company's first accounting period after the change of accounting period is October - December 2004.

NATURE OF BUSINESS

MCOT Public Company Limited is a major mass communication operator with its own television and radio media. Core businesses operated by the Company include **Modernine TV** broadcasting for 24 hours a day under 625-line color system from the host broadcasting station located in its Bangkok Head Office to its 35 local relay stations nationwide, which covers almost all service areas of the country, **MCOT Radio Stations** broadcasting in both central and regional areas nationwide consisting of 7 FM radio stations for broadcasting in the central areas that cover service areas in Bangkok and surrounding provinces and 2 AM radio stations for other service areas throughout the country as well as another 53 FM radio stations located in other provinces of Thailand and **The Thai News Agency**, a center for the production, compilation, collection, analysis, and broadcast through television and radio broadcasting including electronic media of the Company.

Besides, the Company had an investment in its subsidiary providing services in respect of television program and documentary production, Panorama Worldwide Company Limited. This subsidiary was registered as a limited company on 21 November 2003, with 49.0% of the Company's holding. Under joint operating agreements entering into with other private companies, the Company gained two main parts of receivables in forms of joint-operation revenues in the joint operation with Bangkok Entertainment Company Limited (BEC) running Thai TV Channel 3 and a joint operation with a pay TV network service provider, United Broadcasting Corporation Plc. and UBC Cable Network Plc. or the UBC Group.

Modernine Television Station

Modernine Television Station stood as a main business unit of the Company. It emerged from Channel 4 Television Station of Thai Television Co., Ltd. to provide the black-and-white-system broadcasting services for the first time on 24 June 1955, which is the first broadcasting television station in the Southeast Asia region and the second broadcasting television station in Asia, second to Japan. Later, on June 1974, the black and white broadcasting system was removed and replaced by the 625-line color system under the name of Channel 9 Television Station. In 1977, the Station was under the operation of Mass Communication Organization of Thailand (MCOT). In 1987, the Station

began its expansion of television network to other local areas from its host broadcasting station located in Bangkok. Currently, the Company owns 35 relay stations nationwide covering 87.0% of service areas in Thailand where there are 88.5% of populations in those service areas.

Since November 2002, Channel 9 Television Station has revolutionized its organization image and management under the concept of "Totally Change". The Station was also renamed "**Television Station of Modernity or Modernine TV**". This change came along with a new logo and 24-hour broadcasting and a focus on news and entertainment programs. The broadcasting forms have also been modernized by applying the most-recent technology with the broadcasting of programs in the manner of "Integrated Media Program". The development of Channel 9 Television Station can be divided into the following phases:

- Phase 1: On 6 November 2002 under the concept of "News and Content"
The average ratio of audiences was 8.2%.
- Phase 2: On 1 April 2003 under the concept of "On the Variety"
The average ratio of audiences was 9.1%.
- Phase 3: On 1 September 2003 under the concept of "On the Difference" and it was continuously developed from Phase 3 on 19 January 2004 to be "Stock Station"
The average ratio of audiences was 10.4%.
- Phase 4: On 1 April 2004 under the concept of "Edutainment"
The average ratio of audiences was 10.4%.
- Phase 5: On 1 October 2004 on the concept of "Knowledge-based Society"
The average ratio of audiences was 10.5%.
- Phase 6: On 1 June 2005 under the concept of "Happiness on Weekends"
The average ratio of audiences was 10.9%. Under this concept, it focuses on the television programs containing both entertainment and education broadcasted on weekends and holidays and, in the meantime, the important concept of "Knowledge-based Society" has been continuously emphasized. Key television programs are:

- Documentary Programs and Edutainment broadcasted at 20.30 - 21.30 o'clock:
 - Jor Lok (World Windows) broadcasted on Wednesdays
 - Bun Tuek Lok (World Records) broadcasted on Thursdays
 - Kob Nok Kala (Frog outside the Coconut Shell) broadcasted on Fridays and at 22.00 - 23.00 o'clock:
 - Khun Phra Chuay broadcasted on Mondays
 - Khon Khon Khon broadcasted on Tuesdays
- Documentary Program on Tam Roi Phra Buddha (The Rise and Fall) broadcasted on Tuesday after the evening news program at 20.30 - 21.30 o'clock.
- Tunk Kham Kid (Think Tank) broadcasted on weekends at 15.00 - 16.00 o'clock.
- Another two knowledge-based programs were included, namely, Loom Dam Program (Black Hole) broadcasted on Saturdays at 23.00 - 24.00 o'clock whose content concerned social problems, and Tu Daeng (Red Box) Program on Sundays at 23.00 - 24.00 o'clock with a focus on claims by general people.
- Another two sitcoms were included to be broadcasted on Sundays, namely, Rod Fai Kabuan Sud Tai (The Last Train) at 16.00 - 17.00 o'clock and Boon Dee Pee Khum (Good Merit to Be Protected by Ghost) at 17.00 - 18.00 o'clock.
- Mun Plaek Dee Na (It's Strange!) Program broadcasted on Saturdays at 14.00 - 15.00 o'clock.

The launch of the Modernine Television Station and change of program presentation, both in terms of form and content, in every phase significantly aroused Thailand's television regime and stimulated the audiences' interest while Modernine's programs have gradually grown in popularity, which resulted in a 18.1% increase in the Company's income in part of television businesses from the year 2004. However, the Company continued the intention to develop and improve its

television programs and planed to launch Phase 7 of television programs at the beginning of the year 2006.

Radio Broadcasting Stations

The radio broadcasting station was another key business of the Company, which has been developed from Tor.Tor.Tor. Radio Station of Thai Television Co., Ltd. Its first broadcasting was on 31 January 1954 under AM 1494 KHZ system. In 1978, it was renamed to be MCOT Radio Stations, broadcasting in both central and regional areas under both FM and AM systems through 62 stations nationwide: the host broadcasting station was located in Bangkok with 7 FM radio stations and another 2 AM radio stations, and 53 FM radio stations located in other provinces of Thailand. By such radio stations, 92.4% of country areas covering 93.8% of populations in targeted sites have been provided by those radio transmission services. The Company has utilized this radio network to strengthen the connection of information and content for the general public all over the country through news breaks broadcasted at the beginning of each hour.

The Company has established its policy of administrating and producing the overall radio station programs to be in accordance with the intent set forth in Section 40 of the Constitution of the Kingdom of Thailand 1997. The Company also set up the objective to head for the news and content station with the support of news by The Thai News Agency, local news of each province and its news alliances around the world. Furthermore, airtime of the six central radio frequencies, which had been leased out to private companies, were taken back from for the Company's new pilot management before further expansion to other local radio stations nationwide. The overall service modes for central and local radio stations performed by the Company is described below:

Central Radio Stations: The Company has momentarily modified the management of central FM radio system to be the radio stations of modernity or "Modern Radio" commencing from May 2004 to 2005. Each frequency has been reformed to be modern, up-to-date, equipped with variable contents and all kinds of hit songs appreciated by listeners. This reform covered and focused on all targeted groups in service areas in

Bangkok and vicinity. The Central FM Radio Stations were separately characterized as described below:

- **FM 95 MHz: “Look Thung Maha Nakhon”**, the only one Thai country song station presenting hit songs of all song groups of company and the only one station broadcasting under the complete network system nationwide including its live broadcasting through www.mcot.net for all Thais living around the world. The first broadcasting started on 1 October 2004.
- **FM 96.5 MHz: “Kluen Kwam Kid” (Food for Brain)**, intending to be the brain treasury of new generations, “Intensive Content and Strong Ideas”, having perfect program content with respect of general news, stocks, economics, marketing, business, property, management, health, society and family. The first broadcasting started on 1 March 2005.
- **FM 97.5 MHz: “SEED 97.5 FM”**, a radio station for new generations, “New Seed for Hot Youngsters”, presenting hot hit and current favorite songs with a neutral policy to present songs of all song groups of company including other Indies and interesting international songs. The first broadcasting started on 1 March 2005.
- **FM 99.0 MHz: “Muang Thai Kaeng Raeng” (Healthy Thailand)**, intending to promote good health among Thai people and be a media to establish the awareness and trend of local tourism as well as a center of disseminating knowledge, information and news in connection with tourism, health and sports. The first broadcasting started on 1 March 2005.
- **FM 100.5 MHz: “News Station”**, intending to be ranked as the best news radio station in Thailand containing a variety of contents by presenting various economic, political, social, sports, technological news and other different knowledge. Additionally, the Station follows every key movement from all spots of the world for 24 hours and performs as the host broadcasting radio station for news breaks to radio network stations located nationwide at the beginning of each hour.
- **FM 105.5 MHz:** It is under the management of Bangkok Entertainment Plc. (BEC) pursuant to the Joint Operation Agreement.
- **FM 107 MHz: “Metropolis”**, the first pilot radio station of the Company before its total change into the integrated modern radio stations. All programs of this station were broadcasted in

English while adding weight to news directly relayed from global leading news agencies such as CNN, NHK, BBC, ABC and VOA. This Station targeted the niche market consisting of foreigners staying in Thailand, foreign tourists and general people interested in obtaining the information in the English language. The Station also presented 70s and 80s foreign songs. The first broadcasting started on 1 June 2004.

In addition, the Central Radio Stations’ broadcasting covered areas nationwide: 3 FM radio stations located in Bangkok were the host radio stations for the broadcasting to other 53 local radio stations in the following different periods:

- **FM 95 MHz Look Thung Maha Nakhon**, from 00.30 to 06.00 a.m. on Monday - Friday, and from 00.00 - 06.00 a.m. on weekends to report accident survivals from many centers.
- **SEED 97.5 FM:** from 20.00 - 24.00 p.m. The first broadcasting started on 1 July 2005.
- **FM 100.5 MHz, a news station:** on 07.30 - 07.55 a.m. as the News Follow-up Program, 12.00 - 12.30 p.m. as the Midday News Program, 18.00 - 19.00 p.m. as the News Talks Program, and 19.30 - 20.00 p.m. as the News Program relayed from BBC including the news breaks at the beginning of each hour everyday or 13 breaks a day, 5 minutes per break.

Local Radio Stations: They consisted of 53 FM radio stations under different forms of operation like MCOT Central Radio Stations, that is, some radio stations had their private administration and management, some had the joint operation with private operators that were contractual parties, and some were hired by private operators who handled their own program production for broadcasting. However, all have been managed to make the MCOT local radio stations be the local mass radio stations, which principally broadcasted programs for local public benefit. The broadcasted programs were possibly inserted by the news program and other knowledge for national benefit broadcasted by the Central Radio Stations. The program presentation technique would be set in the edutainment form and the general people were given opportunities to share their opinion and to make claims.

As a result of the operation of Central Radio Stations by the Company, thanks to the modernized management mode, the Company’s income in part of

55radio business in 2005 increased by 21.6% from the previous year. Nevertheless, the Company definitely continues to develop and improve its program production and presentation to reach the targeted groups, and, at the same time, the Company will be speeding up the development of personnel to work more professionally so as to boost its potential of competition and opportunity of income growth.

Thai News Agency

The Thai News Agency is Thailand's first news agency established in 1977 with a status of a national news agency. The Thai News Agency could be counted as one of the main producers sustaining the Company's business advantages. The Agency bore the responsibility for the production, compilation, collection, analysis, and broadcast of neutral, accurate, trustworthy, and timely news and information through the Company's various media such as Modernine TV, MCOT Radio Networks, electronic media released through the Company's website (www.mcot.net) by constructing TNA Station Webpage for 24-hour news update to provide news to the public and to send news to mobile phones and other media through computer on-line.

Besides the central news center, The Thai News Agency also established its news distribution centers in 4 regional areas of Thailand: Chiang Mai, Khon Kaen, Hat Yai and Rayong. Moreover, the Agency extended its cooperation in respect of news and other matters with many key international media alliances as listed below:

- Television stations such as CNN (U.S.A.), CCTV (China), NHK (Japan), TV 5 (France), DW (Germany), RAI (Italy)
- Radio stations such as ABC (Australia), BBC (U.K.), VOA (U.S.A.), CNN Radio (U.S.A.)
- Three cooperative organization groups:
 1. The Organization of Asia and Pacific News Agencies (OANA) whose members were 37 news agencies in 30 countries.
 2. Asia-Pacific News Exchange Network (Asia Vision) whose members were television stations in 16 countries.
 3. Alliances of EBU (European Broadcasting Union)

Businesses pursuant to the Joint Operation Agreement and Subsidiary

The Company has had the joint operation with several private operators in accordance with

the joint operation agreements. The Company earned income in the form of joint operation revenues from 2 main business partners: the joint operation with Bangkok Entertainment Company Limited (BEC) running Thai TV Channel 3 and FM 105.5 MHz, and a joint operation with United Broadcasting Corporation Plc. and UBC Cable Network Plc. or the UBC Group providing a pay TV network service. Moreover, the Company had an investment in its subsidiary, Panorama Worldwide Company Limited, a company providing services in respect of television program and documentary production, registered as a limited company on 21 November 2003 with 49.0% of MCOT's holding.

Industry Overview and Competition

The total expense value of advertising industry in the year 2005 were Baht 88 billion (the group with the highest expenses was commodities) or a 5% growth rate, which was the slower growth rate, compared with that of the advertising industry during the years 2002 - 2004 with a 16% average continual growth rate, whereas the television media that had the highest growth rate at 56% of total advertising expenses held its growth rate at only 6%, compared with that of the years 2003 - 2004 with the growth rate at 11-13% (source: AC Nielsen Media Research).

The slight growth of advertising industry in 2005 was due to several negative factors affecting business operation including the revision of petrol prices, chaos in the Deep South of Thailand and risks from terrorism, etc. The said factors shrank the consumer confidence; as a result, owners of many goods and services decided to trim down their advertising budget to save expenses, but had more particularity to select television programs that hit customer targets.

The trend of advertising industry in the year 2006 will be supported by several factors, namely, the economic expansion as a consequence of the recovery of tourism industry and the continual expansion of advertising expenses to be made by the government sector. Furthermore, in the midyear of 2006, there would be the live broadcasting of the World Cup's matches. The aforesaid factors possibly make the overall advertising expenses through the television media in 2006 recover from the previous year.

RISK FACTORS

(1) Changes of rules and regulations on frequency allocation and supervision of broadcasting businesses

Upon the conversion from The Mass Communication Organization of Thailand (MCOT) into MCOT Public Company Limited under the provisions prescribed in the Capital of State Enterprise Act (Corporatization Act), the Company was transferred the same power, rights and privilege as obtained by MCOT by virtue of the Royal Decree on the Establishment of The Mass Communication Organization of Thailand B.E. 2520 and its amendments, laws on radio and television broadcasting, laws on communication radio and other related laws as consequences of Section 26 of the Capital of State Enterprise Act. However, provisions set forth in Section 40 of the Constitution of the Kingdom of Thailand prescribe that all frequencies used for broadcasting including televisions and radios all are national communication resources. Additionally, the provisions set forth in Section 62 and Section 63 of the Organization of Frequency Allocation and Supervision of Radio Broadcasting, Television and Telecommunications Businesses Act prescribe that the Joint Committee shall be the management and stipulate that the frequency allocation for broadcasting, television and telecommunication businesses must be in compliance with the master plan on frequency allocation, the table stipulating the national frequency allocation and the frequency allocation among the frequency used for the broadcasting business, television business and telecommunication business prepared and stipulated by the Joint Committee as set forth in those laws. Therefore, after the establishment of the Joint Committee and the National Broadcasting Commission (the “NBC”), the Joint Committee or the NBC may be unable to have any acts concerning the allocation and authorization of frequency, which possibly affect the business operation and opportunities for new business investment of the Company.

(2) Changes of rights under joint operation agreements

The Company, currently, benefits from its joint operations with private operators under joint operation agreements in 2 major parts: Thai TV Channel 3 business, and pay TV business jointly operated with United Broadcasting Corporation Public Company Limited Group or the UBC Group. Such joint operation agreements are characterized as the Build-Transfer-Operate Agreements (BTO). Consequently, the revenues gained by such joint operation become risky due to the future change with the enactment.

(3) The Company’s dependence and reliance on independent program organizers and producers

The Company has formed the business alliances consisting of a number of program organizers and producers, especially program organizers and independent program producers producing and supplying programs to the Company’s television station; thus the Company has never faced problems of producing and acquiring quality programs. However, due to current fierce competitiveness, it forces television station operators and program organizers and/or producers to form more alliance groups, which may subsequently make the Company lose some business alliances and probably affect its program provision.

(4) Fierce competition in the television and radio industry

Currently, most television operators earn their major income from advertisement sales, which are fluctuating based on economic situation and purchasing power of consumers. Moreover, it is highly possible that television operators will form their business alliances with major program producers, which indirectly cause more fierce competition in television business. Besides, most marketing researchers in Thailand have preferred to conduct the bird's-eye view or wide marketing research; consequently, the research data could not have indicated the actual popularity of television programs launched by Modernine and the Company has been unable to increase its advertising rate charges based on the increasing popularity.

Radio business has faced similar fierce competition to television business. Therefore, the Company's existing or future competitors may apply a variety of competitive strategy to gain more popularity or the portion of the Company's audiences or listeners. The Company believes that the competition in television and radio businesses will be more intense in the future. Besides, after the establishment of the NBC, the enactment on broadcasting businesses and the preparation of master plan on frequency allocation pursuant to provisions set forth in the Organization of Frequency Allocation and Supervision of Radio Broadcasting and Telecommunications Businesses Act are completed, it is possible that new program organizers and producers will be licensed, which subsequently boost the number of competitors to the Company while the business competition in mass media industry is likely to be more intense.

(5) Change of broadcasting technology

Once digital technology is introduced to the business, some restrictions and monopolies in the mass media business shall be decreasing. If operators in the mass media business including the Company fail to timely adapt themselves or develop their personnel and technology to support such changes, especially the development of program content and quality to be presented, they will be unable to compete with other operators in the industry. If the technology of television and radio broadcasting in the digital system has been continuously developed prior to the occurrence of Thailand's actual digital broadcasting, this digital technology will enable the broadcasting of more than 1 program channel resulting in a huge multiplicity of television channels. In addition, some remaining frequency channels will be further allocated so that they can be used efficiently and generate higher benefit. More number of channels may result in lower revenues because they may be allocated to more television channels, or revenues may be higher because more channels may generate more income, meanwhile expenses and administration burden may rise.

KEY EVENTS OF THE YEAR

Important Changes and Development of the Company throughout the Year 2005 are as follows:

January	<ul style="list-style-type: none"> - Standing as the cooperation center of reporting news and information about the Tsunami disaster attacking the South of Thailand - Taking back the airtime of 9 MCOT Central Radio Stations to be completely operated by the Company
February	<ul style="list-style-type: none"> - Reporting the General Election for members of the House of Representatives before the voting day and on the voting day and following movements regarding the government forming. - Launch of 6 MCOT Central Radio Stations under the concept of “Modern Radio”, which firstly and fully operated on 1 March 2005.
March	<ul style="list-style-type: none"> - Organizing “Seed Opening” activity to launch Thailand’s new-generation radio frequency
April	<ul style="list-style-type: none"> - Reporting the 4-region Songkran Festival - Being the host broadcaster for the 11th United Nations Congress on Crime Prevention and Criminal Justice held at Queen Sirikit National Convention Center from 15 to 25 April 2005
May	<ul style="list-style-type: none"> - Organizing the Bangkok Music Festival in collaboration with the Ministry of Tourism and Sports at Rajamangala National Stadium of the Sports Authority of Thailand to promote the tourism of Bangkok as the center of music from every song group and the recreation location on weekends for Bangkokians - Organizing Seed’s celebration of the Buddhist religious days by walking with lighted candles around a temple to encourage teenagers to pay attention to the Buddhism. This event was participated by many artists, stars and DJs.
June	<ul style="list-style-type: none"> - Adjusting Modernine TV Phase 6 with the name of “Happiness on Weekends” under the concept of “Knowledge-based Society” - Signing the MOU on Cooperation with CCTV of China
July	<ul style="list-style-type: none"> - Revamping the main radio programs of MCOT regional radio stations, using the nationwide network
August	<ul style="list-style-type: none"> - Live report for the election of Bangkok Governor
December	<ul style="list-style-type: none"> - Cooperating with The Tourism Authority of Thailand and related governmental agencies and private sector for “Chai Yo Pee Mai 2005” event (New Year 2005 Celebrations)





Launch of the 6 MCOT Central Radio Station
(Modern Radio)



Launch of "SEED 97.5 FM"



Bangkok Music Festival



Launch of Modernine TV's Phase 6,
(Happiness on Weekends)



Signing Ceremony of the MOU
On Cooperation between CCTV and MCOT



New Year 2005 Celebrations
(Chai Yo Pee Mai 2005)



Technology Street 2005

ROLES AND MISSIONS



AWARDS AND CREDENTIALS

- **Golden Television Awards No. 19 - 9 Awards**

- **Best News and Current Situation**

- Best News Program: Thueng Look Thueng Khon Program

- Best News Reporter: Suracha Boonpium

- **Sports Program**

- Best Sports Promotion Program: Sports Focus Program

- **Knowledge or Art and Culture Promotion**

- Best Knowledge Promotion Program: Khun Phra Chuay Program

- **Master of Ceremonies or Program Host**

- Best Single Program Host: Thongchai Prasongsanti of Khun Phra Chuay Program

- **Game Show and Variety**

- Best Game Show: Khem Tossagun

- Best Variety Program: Khun Phra Chuay Program

- **Drama Series**

- Best Drama Script: Bang Rak Soi 9

- Best Artistry Composition: Seephandin Drama Series

- **Mekkhala Awards No. 23 - 12 Awards**

- Best Television Station in respect of Edutainment

- Best Children and Youth Program (Khem Tossagun Dek)

- Best Documentary Program (Khon Khon Khon)

- Best Knowledge or Art and Culture Promotion (Khun Phra Chuay)

- Best Social Development Program (Khon Khon Khon)

- Best Variety Talk Show (Thueng Look Thueng Khon Program)

- Best Male Program Host (Panya Nirankun)

- Best Artistry (Seephandin Drama Series)

- Best Make-up and Hair (Seephandin Drama Series)

- Best Clothes and Costume (Seephandin Drama Series)

- Best Actress for Comedy Drama Series (Oom - Piyada of Bang Rak Soi 9)

- Best Director for Comedy Drama Series (Bang Rak Soi 9)

- **Saengchai Sunthornwat Awards: 2 Awards**

- Television: Best Investigative News: “Ploi “Pae” Jobi” by Suracha Boonpium to be given Baht 100,000 and Honorary Shield
- Best Documentary News, Consolation Award: “Sunchat...Sith Kwamwang and Chee Wit Mai” (Nationality....Rights, Hope and New Life” by Chavida Wathinchai to be given Baht 20,000 and Honorary Shield

- **Other Awards: 6 Awards**

- Best Sitcom Drama Series: Bang Rak Soi 9 Drama Series produced by XACT Co., Ltd.
- Best Television Shooting awarded by the Mass Media Photographer Association of Thailand: Turmoil at Tak Bai Police Station shot by Amnuayvit Samurwong and Padung Wannaluk
- Best News Anchor awarded by the Committee for Promoting the Quality of Thai Language Uses through Radio and Television: Chamanan Vanvinvej
- Best Program Host: 2 awards, one awarded by the Committee for Promoting the Quality of Thai Language Uses through Broadcasting Radio and Radio and Television and the other by Top Award: Sorayuth Suthasanajinda of Thueng Look Thueng Khon Program
- Best Television Station Website awarded by the Government Information Technology Services or TrueHits, the Ministry of Science and Technology. The website of MCOT Plc, www.mcot.net, was ranked the most visited website of the total 8,000 websites.

Nomination for Awards

The Company was listed on the Stock Exchange of Thailand on 17 November 2004 and, in SET Award 2005, it obtained an honorable credential as one of three shortlisted companies for the nomination of Best Newly-Listed Company Award, which, annually, has been awarded to the listed company with much success in its initial public offering including good financial status and operation performance.

INCOME STRUCTURE

The basic revenues of the Company could be categorized according to its existing operating businesses into 4 main parts: income from television services, income from radio services, income from joint operation, and other income.

The Company's income structure pursuant to the consolidated financial statements was as follows:

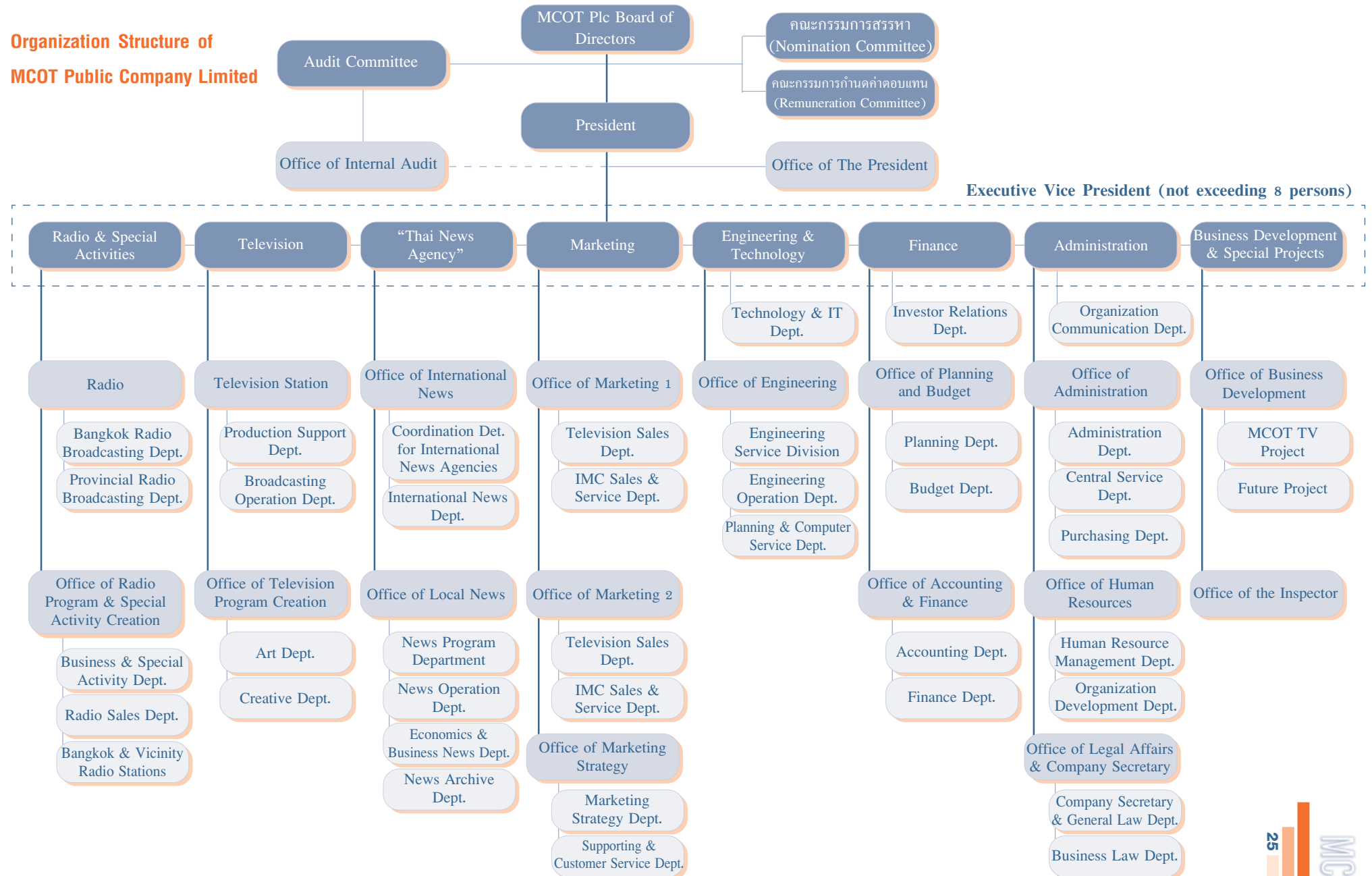
Unit: million baht

Revenue	2005	First Accounting Period (Oct-Dec 2004)
1. Revenue from Television Services	2,201.7	516.6
2. Revenue Radio Services	554.7	119.2
3. Revenue from Joint Operation		
- Share of Income in accordance with the Joint Operating Agreement	605.6	176.0
- Amortization of Deferred Revenue	54.7	11.1
Total Income from Joint Operation	660.3	187.1
4. Other Income		
- Interest Receivables and others	61.7	17.7
Total Other Revenue	61.7	17.7
Grand Total	3,478.4	840.6

Note : The Company has transformed to MCOT Public Company Limited on 17 August 2004, and on 18 October 2004, the Ministry of Finance, the Company's major shareholder, passed its resolution for the Company's change of accounting period from the fiscal year (October - September) to the calendar accounting period (January - December). The Company's first accounting period after the change of accounting period is October - December 2004.

MANAGEMENT AND GOOD CORPORATE GOVERNANCE

Organization Structure of MCOT Public Company Limited



MANAGEMENT AND GOOD CORPORATE GOVERNANCE

Management

The management structure of the Company comprises the Board of Directors and other committees appointed by the Board of Directors as the following details:

1. The Board of Directors and President

1.	Mr. Rawat	Chamchalerm	Chairman*
2.	Mr. Rongphol	Charoenphandhu	Vice Chairman
3.	Mr. Pavich	Tongroach	Director*
4.	Mrs. Ornanong	Maneekarn	Director
5.	Mr. Prakit	Prachonpachanuk	Director*
6.	Mrs. Prisana	Pongtadsirikul	Director*
7.	Mr. Tongthong	Chandransu	Director
8.	Pol. Gen. Somchai	Prabhasabhakdi	Director*
9.	Mr. Somkiat	Wanthana	Director*
10.	Mr. Tawil	Paungma	Director*
11.	Mr. Prawit	Ninsuvannakul	Director*
12.	Mr. Mingkwan	Sangsuwan	Director and Secretary

* Independent director means the director who has the independence of expressing opinions and is qualified for his/her position as per the following criteria:

1. To be a director who may hold the Company's shares, but not exceeding 5% of shares with voting rights;
2. To be a director who does not perform the managerial work in the Company and the Company's subsidiaries;
3. To be a director who is free from the management and a shareholder who has the power of controlling the Company;
4. Not to be a close relative or a person who gains or shares the profit with the executives, major shareholders or any persons who have the power of controlling the Company;
5. To be the person who has not any significant business relationship with the Company which may influence the expression of independent opinions; and
6. Not to be the employee or officer gaining regular salaries from the Company one year prior to his/her tenure.

Authorized Directors who shall sign on behalf of the Company

The authorized director who shall sign on behalf of the Company is either the President or any two other authorized directors jointly sign their names together with the Company's seal affixed.

Composition and Appointment of the Board

Under the Company's Articles of Association, the composition, nomination, appointment, removal or vacation from MCOT Board directorship are summarized below:

1. The Board of Directors shall consist of no less than five (5), but not exceeding fifteen (15) directors elected by the Shareholders' Meeting, with at least three (3) audit committee members. Not less

- than half (1/2) of the total number of directors shall have domiciles in the Kingdom of Thailand, and all directors shall be legally qualified and shall not possess any characteristics prohibited by law. At least one (1) director shall be knowledgeable in accounting and finance.
2. The election of directors by the Shareholders' Meeting shall be in compliance with the following rules and procedures:
 - (1) A shareholder shall have a number of votes equaling the number of shares he or she holds.
 - (2) Each shareholder may exercise all the votes he/she has under (1) to elect one or several persons as director or directors. However, the shareholder may not allot his votes to any person in any number.
 - (3) The candidates shall be ranked in order of descending from the highest number of votes received to the lowest and shall be elected as directors up to the number of directors the Company shall have or elect at that meeting. In case that the elected persons in subsequent order have equal votes but they exceed the number of directors required to have or to be elected at the meeting, the Chairman of the meeting shall exercise his one (1) vote as a casting vote.
 3. In every ordinary annual meeting of the Company, one-third of the Company's directors shall resign on rotation. Should the number of directors to be resigned on rotation not be divisible by three, a number of directors closest to one-third (1/3) of all directors shall resign in the first year. In the second year of the registration of the Company, directors shall draw a lottery to decide who shall resign from the directorship. On the third and subsequent years, the longest-serving directors shall resign. Directors who resign on rotation may resume the positions.
 4. A resolution for any director to resign prior to the expiration of his/her term requires at least three-fourths of shareholders attending the meeting and having voting rights and shares, when combined, not less than half (1/2) of the number of shares held by shareholders that attend the meeting and have voting rights.
 5. A director may resign from his/her office by submitting a resignation letter to the Company. Such resignation shall become effective upon the date the letter arrives at the Company.
 6. In case of vacancy in the Board of Directors' position for reasons other than the retirement by rotation, the Board of Directors may elect a person who has qualifications and possesses no prohibited characteristics prescribed by the Company's Articles of Association to replace the vacancy at the following Board of Directors meeting unless the remaining term of that director is less than two (2) months.

Scope of Authority and Duties of the Board of Directors

Under the Company's Articles of Association, the Board of Directors shall have the authority and duties to carry on the Company's business pursuant to relevant laws, the Company's objectives, Articles of Association, and resolutions of Shareholders' Meetings with integrity, ethics, and morale, and prudence for the best benefits of the Company and its shareholders.

The Board of Directors shall elect one director as Chairman of the Board. In case that the Board considers that it is appropriate to elect one director or several directors as Vice Chairman, a director shall be nominated as the President supervising the nomination procedure stipulated by relevant laws and regulations.

Scope of Authority and Duties of the President

Currently, Mr. Mingkwan Sangsuwan serves as the President of MCOT Plc., and the Director and Secretary to the Board of Directors of the Company in accordance with the Company's Articles of Association. The President shall have the authority and duties in respect of the Company's management as per the assignment of the Board of Directors. The President shall strictly manage the Company according to the plan or budget approved by the Board of Directors with integrity and prudence for the best interests of MCOT Plc and its shareholders. The authority and duties of the President shall include the following matters and activities:

- (1) To undertake and manage the Company's day-to-day activities.
- (2) To recruit, appoint, remove, transfer, promote, demote, cut salaries or wages, subject employees and staff to disciplinary action, as well as remove employees or staff under rules set up by the Board.
- (3) To prepare and submit the Company's business policy, including its plan and budget to the Board of Directors for approval; to report to the Board the progress of such approved plan and budget within an appropriate period.
- (4) To implement and work in accordance with the policy, plan, and budget approved by the Board.
- (5) To lay down regulations and orders concerning the Company's operation.

The President shall be prohibited to exercise his authority and duties specified above if he has any potential interest or may cause any conflict of interest with the Company in any way.

Connected Transactions or Acquisition/Disposal of the Company's Assets

In case that the Company or its subsidiary enters into any connected transaction or a transaction in relation to the acquisition or disposal of assets possessed by the Company or its subsidiary as per the definition specified by the Announcement of the Stock Exchange of Thailand applicable with connected transactions or the acquisition or disposal of assets of a listed company as the case may be, the Company shall comply with rules and procedures set forth in such announcement.

2. The Audit Committee

1.	Pol. Gen. Somchai	Prabhasabhakdi	Chairman
2.	Mrs. Prisana	Pongtadsirikul	Member
3.	Mr. Tawil	Paungma	Member
4.	Mr. Prawit	Ninsuvannakul	Member
5.	Vice President, Office of Internal Audit		Secretary

Scope of Authority and Duties

- (1) To review that the Company's financial statements are correct and sufficient.
- (2) To review that the Company's internal control system and internal audit system are sufficient and effective.
- (3) To review that the Company's operation conform to the securities and exchange's rules and regulations or any other laws relating to the Company's business.
- (4) To review, select, propose for approval, and propose the remuneration of the Company's Auditor.
- (5) To provide opinions for the appointment, transfer, and promotion of the Vice President of the Office of Internal Audit.

- (6) To review the accuracy and sufficiency of information disclosure relating to connected transactions or transactions with potential conflict of interest.
- (7) To prepare the corporate governance report of the Audit Committee to be disclosed in the Company's annual report; such corporate governance report must be signed by the Chairman of the Board of Directors.
- (8) To perform any other duties as assigned by the Board of Directors with approval from the Audit Committee.
- (9) To perform any other duties as stipulated in the Company's Articles of Association.

3. The Remuneration Committee

1.	Mr. Tongthong	Chandransu	Chairman
2.	Mrs. Ornanong	Maneekarn	Member
3.	Mr. Prakit	Prachonpachanuk	Member
4.	Mrs. Prisana	Pongtadsirikul	Member
5.	Executive Vice President (Mrs. Aranrat Youkong)		Secretary

Scope of Authority and Duties

To set up remuneration rules and procedures under fair and reasonable remuneration for the Board of Directors or the President.

4. The Nomination Committee

1.	Mr. Rongphol	Charoenphandhu	Chairman
2.	Mr. Tongthong	Chandransu	Member
3.	Mr. Pavich	Tongroach	Member
4.	Mr. Somkiat	Wanthana	Member
5.	Mr. Tawil Paungma	Member	
6.	Executive Vice President (Mrs. Aranrat Youkong)		Secretary

Scope of Authority and Duties

To select persons with appropriate qualifications for nomination as new Board directors or the President by determining transparent selection procedures and rules.

5. The Monitoring Sub-Committee of MCOT Plc.

1.	Mr. Somkiat	Wathana	Chairman of Sub-Committee
2.	Mr. Tongthong	Chandransu	Sub-committee
3.	Mrs. Chuanpit	Thammasiri	Sub-committee
4.	Mr. Waiyawut	Lortrakul	Sub-committee
5.	The President, MCOT Plc.		Sub-committee
6.	A representative of MCOT State Enterprise Labor Union		Sub-committee
7.	Executive Vice President (Mr. Chitnarong Kunakridatikarn)		Sub-committee
8.	Executive Vice President (Mr. Sittisak Ekabhot)		Sub-committee
9.	Executive Vice President (Mrs. Aranrat Youkong)		Sub-committee and Secretary

Scope of Authority and Duties

- (1) To monitor the Company's operation performance to be in accordance with directions and policy drawn up by the Board.
- (2) To screen the operation matters of MCOT Plc. before submitting them to the Board.
- (3) To propose MCOT Plc's Board of Directors to appoint specific working groups.
- (4) To perform any other duties as assigned by the Board of Directors.

6. The Law Sub-Committee

1.	Mr. Sanguan	Tiyapaiboonsin	Chairman of Sub-Committee
2.	Mr. Tongthong	Chandransu	Sub-committee
3.	Mr. Kamol	Thamsareekul	Sub-committee
4.	Mrs. Songrat	Yen-ura	Sub-committee
5.	Mr. Chitnarong	Kunakridatikarn	Sub-committee
6.	Vice President, Office of Legal Affairs and Company Secretary		Secretary

Scope of Authority and Duties

- (1) To monitor, supervise, and provide advice on all legal issues of MCOT Plc.
- (2) To improve and amend legal rules and regulations to make them clearer and more concise.

7. The Sub-Committee on MCOT's Operation Assessment Coordination

1.	Mr. Rongphol	Charoenphandhu	Chairman of Sub-Committee
2.	Mr. Tongthong	Chandransu	Vice Chairman of Sub-Committee
3.	The President,	MCOT Plc.	Sub-committee
4.	Executive Vice Presidents (all 3 of them)		Sub-committees
5.	Vice President, Office of Planning and Budget		Sub-committee
6.	Chief Financial Officer (CFO)		Sub-committee
7.	Department Director, Planning		Sub-committee and Secretary

Scope of Authority and Duties

- (1) To make decisions and negotiate for appropriate assessment of MCOT Plc's business operation.
- (2) To coordinate with the Ministry of Finance and the Company's advisory companies.
- (3) To prepare the memorandum of understanding regarding the assessment of MCOT Plc's operation to be submitted to the Ministry of Finance within 15 July of each year.

8. The Risk Management Committee

1.	The President, MCOT Plc.	Chairman
2.	All Executive Vice Presidents of MCOT Plc.	Members
3.	Vice President, Office of Accounting and Finance	Member
4.	Vice President, Office of Planning and Budget	Member
5.	Department Director, Internal Audit	Member
6.	Department Director, Planning	Member and Secretary
7.	Department Director, Accounting	Member and Assistant Secretary

Scope of Authority and Duties

- (1) To propose the risk management policy of the Company to the Board of Directors for approval before being complied.
- (2) To support the management of top executives by setting up the risk management structure for the overall organization; to take the risk strategy into the Company's practice by establishing proper practice and investment in the system.
- (3) To study, analyze and assess risks and probabilities of potential or future risks that shall affect, both inside and outside, the organization.
- (4) To propose reports in respect of the sufficiency of system and risk controls to MCOT Plc's Board of Directors.
- (5) To serve as the center of monitoring risks reported by the risk management coordinator.
- (6) To review risk management reports; to supervise the effectiveness of management operation to manage unacceptable risks.
- (7) To perform other tasks relating to MCOT Plc's risk management policy as assigned by the President.

9. The Contracting Committee

1.	Mr. Tongthong	Chandransu	Chairman
2.	Mrs. Ornanong	Maneekarn	Member
3.	Mr. Mingkwan	Sangsuwan	Member
4.	Mr. Chitnarong	Kunakridatikarn	Member
5.	Mrs. Aranrat	Youkong	Member
6.	Mr. Thanachai	Wongthongsri	Member and Secretary
7.	Mr. Narongdej	Surakosit	Member and Assistant Secretary

Scope of Authority and Duties

To undertake the contracts in part of supplementary work for the scope of work, terms of contracts and advisory fees as follows:

- (1) Financial advisor
- (2) Accounting advisor
- (3) Legal advisor

10. The Labor Relation Committee

1.	Mr. Tongthong	Chandransu	Chairman
2.	Mr. Mingkwan	Sangsuwan	Member (Employer)
3.	Mr. Chitnarong	Kunakridatikarn	Member (Employer)
4.	Mrs. Aranrat	Youkong	Member (Employer)
5.	Mr. Anirudh	Thawema	Member (Employer)
6.	Mr. Sura	Gaintanasilp	Member (Employer)
7.	Mr. Vongvith	Vichamarong	Member (Employer)
8.	Mrs. Veerawan	Vararuth	Member (Employer)
9.	Mr. Thanachai	Wongthongsri	Member (Employer)
10.	Mr. Patchara	Sarnpimpa	Member (Employee)
11.	Mr. Apiwat	Boonmung	Member (Employee)

12.	Mr. Sompong	Hongthong	Member (Employee)
13.	Mr. Kosol	Songnium	Member (Employee)
14.	Mr. Chavalit	Maneroj	Member (Employee)
15.	Mr. Avatan	In-sawang	Member (Employee)
16.	Miss. Somkid	Tuptimthong	Member (Employee)
17.	Mr. Suvit	Phaiboon	Member (Employee)
18.	Mr. Pranee	Polprueksa	Member (Employee)
19.	Department Director, Human Resource Management		Member and Secretary (Employer)

Scope of Authority and Duties

To convene meetings in accordance with the authority and duties stipulated in Clause 22 and 23 of the State Enterprise Labor Relations Act B.E. 2543.

11. Working Group on the Structure Reorganization of MCOT Plc.

1.	Mr. Tongthong	Chandransu	Chairman
2.	Mr. Somkiat	Wanthana	Member
3.	Mr. Mingkwan	Sangsuwan	Member and Secretary

Scope of Authority and Duties

- (1) To give the approval on the structure reorganization of MCOT Plc. as studied and proposed by the Company's human resource advisor to the Working Group on the Structure Reorganization.
- (2) To propose the structure of MCOT Plc. to the Board of Directors.
- (3) To do necessary actions enabling the Company's successful structure reorganization.

12. Working Group on the Revision of Contracts and Direction of Operating the Pay TV Business of the United Broadcasting Corporation Group of Companies

1.	Mr. Tongthong Chandransu (Director, MCOT Plc.)	Chairman
2.	Mrs. Ornanong Maneekarn (Director, MCOT Plc.)	Member
3.	Director General, The Department of Intellectual Property	Member
4.	Mrs. Aruneeprapa Homsethi (Dean of Communication Arts, Sripatum University)	Member
5.	President, MCOT Plc.	Member
6.	Mrs. Aranrat Youkong (Executive Vice President, MCOT Plc.)	Member
7.	Mr. Narongdej Surakosit	Member
8.	Mr. Thanachai Wongthongsri	Member and Secretary

Scope of Authority and Duties

- (1) To study and propose to the Board of Directors guidelines on revising provisions set forth in contracts, and guidelines for operating the pay TV business of United Broadcasting Corporation Public Company Limited Group of Companies; thus enabling the joint operator of MCOT Plc. to continue its business ensuring fairness to the pay TV service subscribers.

- (2) To study problems and obstacles regarding the operation of pay TV business of United Broadcasting Corporation Public Company Limited Group of Companies, and to propose solutions.
- (3) To perform other tasks as assigned by the Board of Directors.

13. Supervisory Committee for the Improvement of Accounting System

- (1) Advisors to the Supervisory Committee for the Improvement of Accounting System
 1. Mr. Prawit Ninsuvannakul Audit Committee Advisor
 2. Mr. Tawil Paungma Director, MCOT Plc. Advisor
- (2) The Supervisory Committee for the Improvement of Accounting System
 1. Mrs. Ornanong Maneeekarn Director, MCOT Plc. Chairman
 2. Chief Financial Officer (CFO) Member
 3. Vice President Office of Engineering Member
 4. Vice President Office of Marketing 2 Member
 5. Vice President Office of Legal Affairs and Company Secretary Member
 6. Vice President Office of Planning and Budget Member
 7. Vice President Radio Stations Member
 8. Vice President Office of Local News Member
 9. Vice President Office of Administration Member
 10. Vice President Office of Accounting and Finance Member and Secretary
 11. Vice President Office of Internal Audit Member and Assistant Secretary

Scope of Authority and Duties

To study, monitor, advise and consider the analytic study and design of working system conducted by advisors engaged by MCOT Plc., which shall possibly and concretely be complied with the set period.

List of Executives

Name	Position
1. Mr.Mingkwana Sangsuwan	President
2. Mr. Chitnarong Kunakridatikarn	Executive Vice President
3. Mrs. Aranrat Youkong	Executive Vice President
4. Mr. Sittisak Ekabhot	Executive Vice President
5. Mr. Sura Gaintanasilp	Vice President, Television Stations
6. Mrs. Sansanee Wattananukul	Acting Vice President, Office of Television Program Creation
7. Mr. Suthichai Bunnag	Vice President, Radio Stations
8. Mrs. Veerawan Vararuth	Vice President, Office of International News
9. Mrs. Somtawin Chanyawong	Vice President, Office of Local News
10. Miss Buntanik Boonsin	Vice President, Office of Marketing 1
11. Mr. Kematat Paladesh	Vice President, Office of Marketing 2 and Acting Vice President, Office of Radio Program Creation and Special Activities
12. Mr. Vongvith Vicharnarong	Vice President, Office of Engineering
13. Mrs. Kamalasisi Itsarangkoon Na Ayudhaya	Vice President, Office of Inspector
14. Mr. Chongrak Nigomsak	Acting Vice President, Office of Internal Audit
15. Mrs. Duangchai Maharakkhaka	Acting Vice President, Office of Administration
16. Mr. Anirudh Thawema	Vice President, Office of Planning and Budget and Acting Vice President, Office of Human Resources
17. Mrs. Soontree Kaewkorn	Vice President, Office of Accounting and Finance
18. Mr. Thanachai Wongthongsri	Acting Vice President, Office of Legal Affairs and Company Secretary and Acting Vice President, Office of Marketing Strategy
19. Mrs. Suphawan Thamvachiraporn	Acting Manager, Accounting Department,

Good Corporate Governance

The Boards of Directors and the Management Team have intent to promote MCOT Plc. an efficient organization by taking principles of good corporate governance and management advocated by the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC) to be the policy of MCOT Plc. and have also disseminated them to all levels of employees in the organization so as to encourage them to have good attitude toward complying with principles of good corporate governance. The said principles have also been applied to set up the Company's business strategy and planning to build up the efficiency and proficiency of performance of the Company, to root the organization sustainable growth and to increase the investment value of investors in the long run.

1. Policy on Good Corporate Governance

The Board of Directors has paid strong attention to the Principles of Good Corporate Governance, which help promote the Company's efficiency and proficiency of business performance, strong and sustainable growth, best benefit for the Company's shareholders, taking into account the stakeholders as a whole, quality of business operation that should be transparent and inspectable. In addition, the said Principles would be grounds of establishing faith and maintaining the confidence of the Company's employees, shareholders, investors and all groups of stakeholders in the organization. Therefore, the Board of Directors announced the Company's policies in compliance with such principles covering the following measures:

- * To treat the Company's shareholders and stakeholders under equality and fairness.
- * To have strong and continuous intention to increase the Company's long-term business value with careful management under the Company's regulations and business ethics; to perform duties with full capabilities and adequate efficiency including responsibility for best benefits to the Company's shareholders; and to monitor and to prevent conflicts of interest and potential connected transactions.
- * To perform duties on the transparent and inspectable basis while the Company's information that is based on truth and not misleading the essential part is adequately disclosed to all related parties.
- * To operate businesses by taking into account risks under appropriate and sufficient control and risk management.
- * To set up the Code of Ethics and Statement of Business Conducts to be conformed by the Company's directors and staff along with the Company's regulations.

2. Rights of Shareholders

The Company's Board of Directors has taken emphasis on rights of shareholders and each has always been treated fairly. The Company has assigned Thailand Securities Depository Co., Ltd. to serve as the Company's registrar to provide services and convenience regarding title documents of shareholders. Furthermore, its public relations and investor relations units have been assigned to be in charge of providing relevant services to shareholders and general people.

3. Rights of Stakeholders

The Company has recognized responsibilities and fair treatment to each of its stakeholder based on honesty and equality. Besides, rights of all groups of stakeholders have always been taken into account, whether internal stakeholders consisting of staff and management of the Company and its subsidiary or external stakeholders consisting of program producers, audiences, listeners, goods and service supporters, program sponsors, program organizers, business alliances, creditors or debtors, business

competitors, government entities and other relevant agencies and the society as a whole. As a result, the Board of Directors emphasized that the Company's executives have had communicated with all groups of stakeholders to share the information with each other as well as to receive requests, opinions and advices of those stakeholders for further good cooperation and sustainable relationship.

4. Meetings of Shareholders

The Board of Directors has attached great importance to the Shareholders' Meetings by setting up this issue in Article 3 of the Company's Articles of Association regarding the shareholders' meetings, in which contains descriptive details concerning the arrangements of shareholders' meetings with purposes of facilitating and providing sufficient and equal information to every shareholder. The meetings of shareholders have been arranged in the appropriate period when equal opportunities of shareholders to propose opinions and questions to the meetings have been retained.

In 2005, two ordinary shareholders' meetings of the Company were held:

No. 1/2005 - held on 14 January 2005

No. 2/2005 - held on 26 April 2005

At both meetings, the Company notified all shareholders of the following meeting to be held in the appropriate time. The Company's Board of Directors stressed the importance of this event by attending both meetings, especially the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Chairman of the Remuneration Committee and the Chairman of the Nomination Committee.

5. Leadership and Vision

The Board of Directors of MCOT Plc. consisted of experts equipped with experience and knowledge to develop and line up business directions, strategy, goals, state enterprise plans and budget of MCOT Plc., as well as to supervise the management's performance so that it follows the determined state enterprise plans and budget efficiently and generates best benefits for the Company.

The Board of Directors established a clear division of duties and responsibilities between the Board of Directors, the Sub-Committees, and the Management. The Board then thoroughly and regularly communicated such roles, duties, and responsibilities with the Company's Directors, Sub-Committees, Management, and staff.

With respect to organization management, the Board of Directors gave a focus on lining up the organization structure to enhance the operation under efficient working system, to build up good understanding in the organization and teamwork and to encourage all levels of staff to share opinions and to take part in the organization development.

6. Conflicts of Interest

To prevent conflicts of interest, the Board of Directors has instituted the Code of Conduct for the directors under the essential part that the directors should have performed their duties and responsibilities by keeping away from personal conflicts of interest that might be affecting the organization's profit. For the most efficient administration, directors' good practice shall include:

- * Not seeking personal interest as serving as the Company's directors.
- * Not utilizing the Company's confidential information in illegal ways.
- * Not serving as directors in other competing companies.
- * Not holding any benefit in entering into an agreement on behalf of the organization.

Besides, the Board of Directors assigned the Audit Committee to supervise and submit reports to the Board in case that any conflict of interest occurred.

7. Business Ethics and Mass Media Code of Conduct

The Company has taken emphasis on its employees' ethics and code of conduct in the mass media profession. Due to the Company's prominent duties of operating its mass media business for the benefit of the country and the public, its mass media operation, thus, had to attach to the Mass Media Code of Ethics by believing in correctness, fairness and benefit of the nation and general public under the democratic regime of government with the King as Head of the State. Currently, the Company attaches to the Announcement of The Mass Communication Organization of Thailand No. 84/2002 dated 30 August 2003 regarding Manual of Business Ethics and Code of Conduct of MCOT's Employees containing the following main parts:

- * Code of Ethics to the country and the public
- * Code of Ethics to the organization
- * Code of Ethics to supervisors, subordinates and colleagues
- * Code of conduct of MCOT Plc's staff

The Company has also disseminated the Principles of Good Corporate Governance, internal control, and Code of Ethics and Statement of Business Conduct, which are also contained in training courses, to the Company's staff.

8. The Balance of Power for Non-Executive Directors

The Board of Directors consisted of twelve persons:

- * Director who is also executive 1 person
- * Director who is not executive 11 persons

(The Board of Directors also included four audit committees.)

9. Aggregation or Segregation of Positions

The Chairman and the President are two different persons. Their respective duties are clearly differentiated. The President shall have the scope of management authority and duties under the assignment and supervision of the Board of Directors.

10. Remuneration of Directors, Executives and Auditors for the year 2005 (before tax deduction)

The Board of Directors appointed the Remuneration Committee to determine principles of determining remuneration for directors and the President subject to fair and reasonable principles and procedures of setting up the remuneration for directors or the President, which shall be proposed to the Shareholders' Meetings for approval.

In the Ordinary Shareholders' Meeting No. 1/2005 held on 14 January 2005, it unanimously passed the resolution regarding the annual remuneration for the Company's directors as proposed by the Remuneration Committee, which came into effect since 17 August 2004. Details of remuneration are as follows:

Item	Directors	Vice Chairman	Chairman	Conditions
Remuneration/month	10,000 Baht	11,250 Baht	12,500 Baht	<ul style="list-style-type: none"> - Be paid on a monthly basis whether directors might be attending the meetings or not. - The reason was that the Board of Directors had to perform other incessant duties, not only meeting attendance.

Item	Directors	Vice Chairman	Chairman	Conditions
Meeting allowances/ month	10,000 Baht	11,250 Baht	12,500 Baht	<ul style="list-style-type: none"> - Be paid for directors who attended the meetings only. - Meeting allowances were paid on a monthly basis regardless of number of meetings held on each month.

The Ordinary Shareholders' Meeting No. 2/2005 held on 26 April 2005 also unanimously passed its resolution to approve the annual remuneration for the Company's directors as proposed by the Remuneration Committee as detailed below:

Committee	Remuneration (monthly)	Meeting Allowances (presence in the meetings only)
1. Audit Committee	10,000 Baht/month	5,000 Baht/month
2. Nomination Committee, Remuneration Committee and Labor Relation Committee	-	10,000 Baht/month
3. Sub-committees (only directors appointed by the Board of Directors)	-	10,000 Baht/month (Though any Company's directors were appointed to perform duties in several sub-committees, they would be paid the meeting allowances from only one sub-committee on the month such sub-committee meeting was held.)
Chairman and Vice Chairman of the Board of Directors were paid more meeting allowances at 25% and 12.5% respectively.		

1) Remuneration of the Company's Directors in 2005

unit: baht

No.	Directors	Meeting Allowances	Remuneration	Bonus	Sub-committees and other committees		Total
					Meeting Allowances	Remuneration	
1	Mr. Rawat Chamchalerm	150,000	150,000	270,000	-	-	570,000
2	Mr. Rongphol Charoenphandhu	123,750	135,000	200,000	12,500	-	471,250
3	Mr. Pavich Tongroach	100,000	120,000	200,000	-	-	420,000
4	Mr. Prakrit Prachonpachanuk	110,000	120,000	200,000	20,000	-	450,000
5	Mrs. Prisana Pongtadsirikul	120,000	120,000	200,000	60,000	120,000	620,000
6	Mrs. Ornanong Maneekarn	120,000	120,000	200,000	62,500	-	502,500
7	Mr. Tongthong Chandransu	120,000	120,000	200,000	257,500	-	697,500
8	Pol. Gen. Somchai Prabhasabhakdi	120,000	120,000	200,000	75,000	150,000	665,000
9	Mr. Somkiat Wanthana	120,000	120,000	200,000	150,000	-	590,000
10	Mr. Tawil Paungma	100,000	120,000	200,000	60,000	120,000	600,000
11	Mr. Prawit Ninsuvannakul	100,000	120,000	200,000	60,000	120,000	600,000
12	Mr. Mingkwan Sangsuwan	120,000	120,000	200,000	110,000	-	650,000
TOTAL		1,403,750	1,485,000	2,470,000	867,500	510,000	6,736,250

2) **Total Remuneration of Executives**

unit: baht

Remuneration	Year 2005
Salary	28,976,580
Contributions to Retirement Fund	147,000
Contributions to Provident Fund	1,490,250
Medical Expenses	94,419
Child Allowances	1,800
Child Educational Allowances	64,980
Car Leasing	4,682,435
TOTAL	35,457,464

3) **Remuneration of Auditors (Audit Fee)**

At the Ordinary Shareholders' Meeting No. 1/2005 held on 14 January 2005, it unanimously passed the resolution to appoint The Office of The Auditor General of Thailand to be the Company's auditor and approved the audit fee as described below:

1. Audit fee for the period of October - December 2004 amounting to Baht 400,000.
2. Audit fee for the year 2005 (January - December) amounting Baht 1,500,000.

11. Meetings of the Board of Directors

In accordance with the obligations of MCOT Plc., no less than twelve meetings of the Board of Directors are scheduled yearly, normally one meeting shall be called every two months, and special meetings may be arranged if necessary. Each meeting schedule along with clear agenda and adequate relevant documents shall be prepared and sent to all directors at least 7 days prior to the meeting; thus enabling the directors to study the information sent to them prior to the meeting. Each director has the right to discuss and independently express opinions in the meeting, by which the Chairman of the Board of Directors shall compile all expressed opinions and have a conclusion of the meeting. The minutes of each meeting shall be recorded in writing and approved by the Board before being filed for the perusal of directors and other relevant parties.

In 2005, the Board of Directors had, both ordinary and extraordinary, 18 meetings in total. The number of directors' attendance is recorded below:

Name	Position	Number of Meetings	Number of Attendance
1. Mr. Rawat Chamchalerm	Chairman	18	18
2. Mr. Rongphol Charoenphandhu	Vice Chairman	18	13
3. Mr. Pavich Tongroach	Director	18	12
4. Mrs. Ornanong Maneeekarn	Director	18	17
5. Mr. Prakit Prachonpachanuk	Director	18	15
6. Mrs. Prisana Pongtadsirikul	Director	18	13
7. Mr. Tongthong Chandransu	Director	18	16
8. Pol. Gen. Somchai Prabhasabhakdi	Director	18	15
9. Mr. Somkiat Wanthana	Director	18	17
10. Mr. Tawil Paungma	Director	18	14
11. Mr. Prawit Ninsuvannakul	Director	18	15
12. Mr. Mingkwan Sangsuwan	Director and Secretary	18	18

12. Sub-Committees

In accordance with MCOT Plc's order, sub-committees hold duties of monitoring the performance of MCOT Plc. to be in accordance with guidelines and policy placed by the Board of Directors, determining and monitoring the issues to be proposed or advised to the Board, appointing specific working groups and carrying out activities assigned by the Board.

13. System of Internal Control and Internal Audit

MCOT Plc. normally places strong emphasis on its internal control system to achieve performance efficiency both in executive and staff levels; thus, a working group was established to monitor the performance to be in compliance with rules issued by the Audit Commissioners on Setting up the Internal Control Standard B.E. 2544. Therefore, the Company defined in writing the clear scope of authority and duties to be performed by the management and staff. Other internal control system also included controls on cost-effective uses of the Company's assets and clear differentiation of duties of staff, supervisors and evaluators to enhance the appropriate balance and inter-examination. MCOT Plc, moreover, set up the Audit Committee to ensure that main operation performance and financial activities of MCOT Plc shall be undertaken efficiently and proficiently as per determined directions. The Audit Committee shall regularly report its work performance including necessary advice to enhance the internal control system in every meeting of the Board of Directors.

14. Reports of the Board of Directors

The Board of Directors set up the policy on maintaining its efficient and proficient internal control system to reasonably ensure that the Company's accounting records would be accurate, complete, and adequate to retain its assets, as well as to learn the Company's drawback and to prevent dishonesty or abnormal operation. The Board of Directors appointed the Audit Committee, consisting of non-executive directors, to be responsible for the quality of financial statements and internal control system, and opinions given by the Audit Committee about the aforementioned issues shall be found in the annual report and particularly shown in the Audit Committee's report.

15. Relations with Investors

The Company has had the policy on disclosing all significant information of the Company as correctly, completely, quickly and transparently as possible including financial information, operation performance, general information and other information affecting the Company so that its shareholders, interested persons and investors as well as general analysts and relevant government entities shall utilize them for investment decision. Such information is disclosed through information channels and media of the SET or the Company's website at www.mcot.net. Moreover, the Company's Investor Relations Center was officially established to directly disclose the information to shareholders, investors, interested persons and the SET. These arrangements were done to ensure that relevant rules and regulations were completely complied. Interested persons may contact Khun Thanaporn Thaveepanich, the senior investor relations officer of the Investor Relations Center for more information at (66) 0 2201 6388 or Khun Navaporn Thongrang, the investor relations officer at (66) 0 2201 6454 or E-mail: ir@mcot.net.

Furthermore, in 2005, the Company arranged the special events to disclose useful information as follows:

-	The Company's road show abroad	4	times
-	Press conference on the Company's operation performance	4	times
-	Company visits by institutional investors and analysts	70	institutions

16. Policy and Supervision for Executives on Use of Inside Information

The Company has strictly maintained the policy on complying with the Principles of Good Corporate Governance. To encourage the compliance with such Principles according to the set policy and to prevent personal profit-seeking from uses of inside information relating to the Company not yet disclosed to the public that may be affecting the Company's prices of shares traded in the SET, the Board of Directors passed its resolution to prohibit directors, executives, officers and employees including spouses and non-sui juris children of the said persons to use any inside information for the purposes of selling, buying, transferring or receiving any transfer of the Company's securities prior to disclosure such information to the general public. The Company shall proceed the penalties if any of the said persons was found to break the Company's rules and regulations on this matter.

17. Personnel and Development

The Company has underlined the development of quality and efficiency of its personnel; hence, the human resource plan for the year 2005 was set up under the MCOT Model as described below:

M =	Management Competency	:	Capability of Management
C =	Core Competency	:	Core Capability of Personnel
O =	Operation Competency	:	Specific Capability
T =	Technology & Transformation Competency	:	Technological Capability

In 2005, the Company has arranged 89 training courses for the Company's directors, executives in all levels and officers including 8 trips of operation system observation abroad. Moreover, in collaboration with the Faculty of Commerce and Accountancy, Chulalongkorn University, two MINI MBA classes have been set up for the Company's executives at levels of department directors, deputy department directors, division managers including senior officers to enlarge skills, knowledge and capabilities in terms of management and to develop their potential and vision to keep them ready for business competition. Besides, the Company had cooperation with Into The Wild Co., Ltd. to hold four classes of training for all levels of personnel regarding the efficient working based on the team building.

SHAREHOLDING STRUCTURE

Capital Structure

Company's Assets

As of 31 December 2004, the registered capital of MCOT Plc. was Baht 3,835 million consisting of 767 million common shares at a par value of 5 Baht each. The paid-up capital of MCOT Plc. was Baht 3,435,496,050 consisting of 687,099,210 common shares at a par value of 5 Baht each.

Shareholders

As of the most recent book-closing date on 14 September 2005

- **Top ten major shareholders**

No.	Shareholders	Number of Shares Held	% of Shareholding
1	MINISTRY OF FINANCE	531,000,000	77.28
2	GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION	17,895,500	2.60
3	HSBC BANK PLC-CLIENTS GENERAL A/C	9,915,500	1.44
4	SOMERS (U.K.) LIMITED	9,557,200	1.39
5	CHASE NOMINEES LIMITED 1	7,008,400	1.02
6	THE BANK OF NEW YORK NOMINEES LTD A/C BANK OF NEW YORK EUROPE LTD	6,160,100	0.90
7	THAI NVDR CO., LTD.	4,868,900	0.71
8	CREDIT AGRICOLE INVESTOR SERVICES BANK LUXEMBOURG	4,700,000	0.68
9	NCB TRUST LIMITED-BPMT INZ BBA1C FOREIGN & COLONIAL	3,065,700	0.45
10	CITIBANK NOMINEES SINGAPORE PTE LTD-CTSL A/C 9301-OAM	2,555,400	0.37

- **List of Executives and Shareholding Status**

Name	Position	% of Shareholding
1. Mr.Mingkwan Sangsuwan	President	0.056
2. Mr. Chitnarong Kunakridatikarn	Executive Vice President	0.009
3. Mrs. Aranrat Youkong	Executive Vice President	0.009
4. Mr. Sittisak Ekabhot	Executive Vice President	0.008
5. Mr. Sura Gaintanasilp	Vice President, Television Stations	0.007
6. Mrs. Sansanee Wattananukul	Acting Vice President, Office of Television Program Creation	0.006
7. Mr. Suthichai Bunnag	Vice President, Radio Stations	0.009
8. Mrs. Veerawan Vararuth	Vice President, Office of International News	0.009
9. Mrs. Somtawin Chanyawong	Vice President, Office of Local News	-
10. Miss Buntanik Boonsin	Vice President, Office of Marketing 1	-

Name	Position	% of Shareholding
11. Mr. Kematat Paladesh	Vice President, Office of Marketing 2 and Acting Vice President, Office of Radio Program Creation and Special Activities	-
12. Mr. Vongvith Vicharnarong	Vice President, Office of Engineering	0.008
13. Mrs. Kamalasiri Itsarangkoon Na Ayudhaya	Vice President, Office of Inspector	0.005
14. Mr. Chongrak Nigomsak	Acting Vice President, Office of Internal Audit	0.005
15. Mrs. Duangchai Maharakkhaka	Acting Vice President, Office of Administration	0.005
16. Mr. Anirudh Thawema	Vice President, Office of Planning and Budget, and Acting Vice President, Office of Human Resources	0.009
17. Mrs. Soontree Kaewkorn	Vice President, Office of Accounting and Finance	0.005
18. Mr. Thanachai Wongthongsri	Acting Vice President, Office of Legal Affairs and Company Secretary, and Acting Vice President, Office of Marketing Strategy	0.005
19. Mrs. Suphawan Thamvachiraporn	Acting Manager, Accounting Department	0.004

Source: Thailand Securities Depository Co., Ltd.

Policy on Dividend Payment

MCOT Plc.'s policy on dividend payment is to distribute no less than 40 percent of its remaining net profits less various provisions determined by MCOT Plc. However, the dividend payment shall be based on investment plans, necessities and other appropriate reasons arising out in the future. The Board of Directors' resolutions, which give the approval for dividend payments, must be submitted to seek the approval from the Shareholders' Meetings unless it is an interim dividend payment, in which the Board of Directors shall have the authority for the approval of such payment prior to the Board's report to the Shareholders' Meeting at the following meeting.

In 2005, MCOT Plc. had 3 dividend payments to its shareholders:

Payment 1: On 14 January 2005, the Ordinary Shareholders' Meeting had a resolution to pay the dividends to all shareholders at 0.50 Baht per share or amounting to 344 million Baht in total. The payment of such amount was already made on 25 January 2005.

Payment 2: On 26 April 2005, the Ordinary Shareholders' Meeting had a resolution to pay the dividends to all shareholders at 0.09 Baht per share or amounting to 62 million Baht in total. The payment of such amount was already made on 12 May 2005.

Payment 3: On 29 August 2005, the ordinary meeting of the Board of Directors had a resolution to pay the interim dividends to all shareholders at 0.75 Baht per share or amounting to 515 million Baht in total. The payment of such amount was already made on 27 September 2005.

CONNECTED TRANSACTIONS

In 2005, the Company had significant connected transactions with its subsidiary and related companies as follows:

Subsidiary	Relationship with MCOT Plc	Type of Transaction	Transaction Value January-December Year 2004	Condition/Pricing Policy
Panorama World wide Company Limited	<ul style="list-style-type: none"> - MCOT Plc held 49.0% of shares in Panorama Worldwide Co., Ltd. - MCOT Plc's directors, Mr. Mingkwan Sangsuwan and Mrs. Omanong Maneekam were directors of Panorama Worldwide Co., Ltd., and Mr. Tongthong Chandransu was chairman of Panorama Worldwide Co., Ltd. - MCOT Plc's executive (Mrs. Aranrat Youkong) was director of Panorama Worldwide Co., Ltd. 	1) MCOT Plc hired Panorama Worldwide Co., Ltd. for the production of programs and paid it the remuneration therefore.	22,370,212.-	The remuneration for the production of programs payable to Panorama Worldwide Co., Ltd. was fixed on an arm's length basis.
		2) MCOT Plc hired Panorama Worldwide Co., Ltd. for the production of programs for the Company. The amount of transaction value shown was the remuneration for the production of programs not yet paid to Panorama Worldwide Co., Ltd. and booked as trade account payables.	5,388,608.-	
Related Companies	Relationship with MCOT Plc	Type of Transaction	Transaction Value October-December Year 2004	Condition/Pricing Policy
United Broadcasting Corporation Co., Ltd. ("UBC")	<ul style="list-style-type: none"> - MCOT Plc's executive (Mrs. Aranrat Youkong) was director of UBC. 	MCOT Plc entered into the agreement for joint operation of television station and radio station businesses and pay TV network service with UBC, under which UBC as a joint operator shall share its income gained by such businesses with MCOT Plc.	351,834,586.-	Share of revenue MCOT Plc. gained from UBC was in compliance with the joint operation agreement, which was the same rate as other joint operators and was on an arm's length basis.
UBC Cable Network Plc ("UBCC")	<ul style="list-style-type: none"> - MCOT Plc's executive (Mrs. Aranrat Youkong) was director of UBCC. 	MCOT Plc entered into the agreement for joint operation of television station and radio station businesses and pay TV network service with UBCC, under which UBCC as a joint operator shall share its income gained by such businesses with MCOT Plc.	143,458,519.-	Share of revenue MCOT Plc. gained from UBCC was in compliance with the joint operation agreement, which was the same rate as other joint operators and was on an arm's length basis.

Related Companies	Relationship with MCOT Plc	Type of Transaction	Transaction Value October–December Year 2004	Condition/Pricing Policy
Bangkok Entertainment Plc. (“BEC”)	- MCOT Plc’s executive, Mr. Mingkwan Sangsuwan, was the President of Television Channel 3 according to the conditions of the agreement.	MCOT Plc. entered into the agreement for joint operation of television station and radio station businesses with BEC, under which BEC as a joint operator shall pay MCOT Plc. the remuneration gained from such operation.	110,255,000.-	Remuneration that MCOT Plc gained from BEC was in compliance with terms and conditions set forth in the agreement.
Big C Supercenter Plc.	- MCOT Plc’s executive (Mr. Rongphol Charoenphandhu) was director of Big C Supercenter Plc.	- The transaction dealt with the purchase of advertising airtime from MCOT Plc. by Big C Supercenter Plc.	366,938.-	Remuneration was fixed on an arm’s length basis.
Governmental Entities	Relationship with MCOT Plc	Type of Transaction	Transaction Value October–December Year 2004	Condition/Pricing Policy
Office of the National Culture Commission	- MCOT Plc’s director (Mrs. Prisana Pongtadsirikul) was Secretary General of the National Culture Commission.	MCOT Plc. was hired by the Office of the National Culture Commission, Ministry of Culture for the advertisement. The transaction value shown was the remuneration payable by the Office of the National Culture Commission.	1,711,682.-	Remuneration was fixed on an arm’s length basis.
Ministry of Justice	- MCOT Plc’s director (Mr. Tongthong Chandransu) was the Deputy Permanent Secretary of the Ministry of Justice.	The transaction dealt with the purchase of advertising airtime from MCOT Plc. by the Ministry of Justice and the engagement of MCOT Plc. by the Ministry of Justice for making public relations and establishing the International Broadcasting Center.	42,428,909.-	Remuneration was fixed on an arm’s length basis.
The Provincial Waterworks Authority	- MCOT Plc’s Chairman of the Board of Director (Mr. Rawat Chamchalerm) was the director of The Provincial Waterworks Authority.	The transaction dealt with the purchase of advertising airtime from MCOT Plc. by The Provincial Waterworks Authority.	1,190,000.-	Remuneration was fixed on an arm’s length basis.

Subsidiary	Relationship with MCOT Plc	Type of Transaction	Transaction Value January-December Year 2004	Condition/Pricing Policy
The Tourism Authority of Thailand	- MCOT Plc's director and secretary to the Board of Directors, Mr. Mingkwan Sangsuwan, was the director of The Tourism Authority of Thailand.	The transaction dealt with the purchase of advertising airtime from MCOT Plc. by The Tourism Authority of Thailand.	26,455,141.-	Remuneration was fixed on an arm's length basis.
CAT Telecom Plc ("CAT")	- MCOT Plc's executive (Mr. Rongphol Charoenphandhu) was director of CAT.	1) CAT hired MCOT Plc. to launch advertisements. The transaction value shown was the remuneration payable by CAT. 2) MCOT Plc. hired CAT to provide satellite transmission service and already paid for such service fee.	20,632,732.- 2,045,708.-	Remuneration was fixed on an arm's length basis. Remuneration was fixed on an arm's length basis.
Krung Thai Bank Plc.	- MCOT Plc's Chairman of the Board of Director (Mr. Rawat Chamchalerm) was the director of Krung Thai Bank Plc.	Krung Thai Bank Plc. hired MCOT Plc. to launch advertisements.	670,000.-	Remuneration was fixed on an arm's length basis.

OPINION OF THE AUDIT COMMITTEE ABOUT CONNECTED TRANSACTIONS

The Company's connected transactions mentioned above were verified and approved by the Audit Committee. The Audit Committee agreed that those connected transactions were normal business operation and in accordance with general trading conditions without the occurrence of benefit transfer between related companies or potential conflict of interest with other persons.

Policy on Future Connected Transactions

Regarding the connected transactions that may take place in the future, the Company's policy is to comply with laws on the Securities and Exchange Act, and laws and notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, including rules governing the disclosure of connected transactions for listed companies, and the generally accepted accounting principles regarding the disclosure of information relating to related persons or companies set out by the Institute of Certified Accountants and Auditors of Thailand. Connected transactions likely to be arising out in the future shall include the hiring of Panorama Worldwide Co., Ltd., the Company's subsidiary, to have the program production for MCOT Plc., the launch of advertisements as engaged by governmental entities, organizations and state enterprises whose shares were held by the Company's major shareholders, and the income sharing gained by MCOT Plc. from related companies as consequences of Joint Operation Agreements, etc.

However, in the future, in case that the Company must have connected transactions with the potential conflicts of interest, the Company shall have the Audit Committee provide opinion regarding the appropriateness of such transactions. Provided that the Audit Committee has no expertise in examining such connected transactions, MCOT Plc. shall assign other specialized persons or experts such as the independent auditors or appraisers to give opinion on such connected transactions to support the decision of the Board of Directors or the Company's shareholders as the case may be in order to ensure that such connected transactions shall not be the concealment or transfer of benefits between MCOT Plc., its subsidiary, joint-operating companies, related companies or MCOT Plc.'s shareholders under the best benefit of every shareholder of the Company particularly the minority shareholders.

EXPLANATION AND ANALYSIS OF FINANCIAL STATUS AND OPERATION PERFORMANCE

The Company's income from television services in 2005 equaled Baht 2,202 million, which was the first time when the Company was able to reach the income amount at Baht 2 billion or 18% increase, compared with that of the previous year amounting to Baht 1,862 million. The reason of this sharp growth was the income gained from the selling of advertising airtime and projects or 86% of total income from television services. Such income kept growing continuously, especially in the last quarter of 2005 when the income earning reached its peak, compared with other quarters of 2005 due to increasing volume of advertising sales and capabilities of earning more income from many projects, namely, the New Year Celebration held at Subhachalasai Stadium, the OTOP City Fair at Muang Thong Thani Convention Center, Project on Vocational Students' Power Forming the Nation, Energy Saving Project, Gasohol Promotion Project, One-Year Tsunami Memorial Project, Project on Healing Chaos-Facing People in the Deep South, etc.

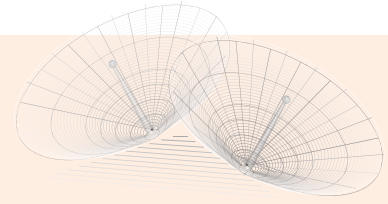
In the same direction, the Company's income from radio services expanded at 23% or Baht 555 million from Baht 453 million in 2004 resulted from taking back 6 radio stations located in Bangkok to be completely operated by the Company. The top favorite frequencies were FM 95 Look Thung Maha Nakhon and Seed 97.5 FM. Other radio frequencies have been gradually developed.

The expansion of income from television and radio services, which were main income of MCOT Plc., or it held 80% of total income amount, pushed the Company's total income of the year 2005 to the amount of Baht 3 billion for the first time or totaling Baht 3,478 million, 17% increase from Baht 2,970 million in 2004.

The Company's expenses in 2005 expanded only 6% or Baht 1,978 million from Baht 1,862 million in 2004 as a result of expense control, especially expenses associated with sales and administration. Therefore, the Company's profit before tax in 2005 increased at 35% or Baht 1,501 million from Baht 1,108 million in 2004.

The Company's net profit in 2005 amounted Baht 1,103.8 million or 1.61 Baht per share. Thus, the Company paid the dividend at 80.92% or 1.30 Baht per share.

REPORT FROM THE AUDIT COMMITTEE



For good corporate governance, MCOT Public Company Limited appointed four independent directors as Audit Committee members, consisting of Mrs. Prisana Pongtadsirikul, Mr. Tawil Paungma, and Dr. Prawit Ninsuvannakul, and Police General Somchai Prabhasabhakdi as Chairman.

In 2005 starting from January 2005 to December 2005, 14 meetings were convened by the Audit Committee, and the Company's top management, Vice President of Internal Audit Office, Vice President of Accounting Department and external auditor have been invited to attend the meetings in which their duties assigned dealt with the meeting agenda. The following salient matters are the Audit Committee's performance:

1. Review Q1, Q2, Q3 financial statements and annual financial statements, which ended on 31 December 2005, of MCOT Plc. for the year 2005.
2. Review financial statements of Panorama Worldwide Co., Ltd., a company established by MCOT Plc.
3. Review MCOT Plc.'s debtors that were television and radio debtors.
4. Review the setting of internal control system and risk management plans of each department subject to MCOT Plc.'s present structure.
5. Review the audit operation plans of the Internal Audit Office including the performance of internal auditors proposed on a monthly basis.
6. Review the work performance of human resource advisors pursuant to the Engagement Agreement.
7. Review the management and administration of the Company's departments such as cash flow management, revision of business contracts including overtime pay and salary of MCOT Plc.'s officers.
8. Review the engagement of advisors for the improvement of accounting system by taking into account the information about the operation in association with the software and hardware supplied by such advisors.

Upon the above performance, the Audit Committee also had comments and provided advice for better operation performance.

Having conducted its missions with considerable freedom, the Audit Committee is confident that it has adequately supported the practice of good corporate governance under the objectives of audit committees for state enterprises.

Police General

Somchai Prabhasabhakdi
Chairman, Audit Committee



AUDITOR'S REPORT

TO: The Shareholders of the MCOT Public Company Limited

The Office of the Auditor General of Thailand has audited the accompanying consolidated balance sheets of the MCOT Public Company Limited and its subsidiary and the balance sheets of the MCOT Public Company Limited as at December 31, 2005 and 2004 and the related consolidated and the Company's statements of income, changes in shareholders' equity, and cash flows for the year ended December 31, 2005 and for the period beginning October 1, 2004 to December 31, 2004. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General of Thailand is to express an opinion on these financial statements based on the audits.

The Office of the Auditor General of Thailand conducted the audits in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor General of Thailand plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Office of the Auditor General of Thailand believes that the audits provide a reasonable basis for the opinion.

In the opinion of the Office of the Auditor General of Thailand, the consolidated and the Company's financial statements referred to above present fairly, in all material respects, the financial position of the MCOT Public Company Limited and its subsidiary and the Company as at December 31, 2005 and 2004 and the results of their operations and the cash flows for the year ended December 31, 2005 and for the period beginning October 1, 2004 to December 31, 2004 in accordance with generally accepted accounting principles.

Without qualifying on the financial statements, the Office of the Auditor General of Thailand draws attention to the Note 2.1 relating to the basis for preparation. ข

(Pensri Soranaraks)
Deputy Auditor General

(Lakhana Bunyamanonukul)
Director of Audit Office

Office of the Auditor General
February 27, 2006

(Audited)

MCOT Public Company Limited

Balance Sheets

As at December 31, 2005 and December 31, 2004

	Notes	Consolidated		Company	
		December 31,	December 31,	December 31,	December 31,
		2005	2004	2005	2004
		Baht	Baht	Baht	Baht
ASSETS					
Current assets					
Cash and cash equivalents	3	581,092,276	1,991,532,701	572,492,588	1,991,202,365
Short - term investments	4	982,985,149	581,019,231	982,985,149	581,019,231
Restricted cash	4	826,883,116	681,114,996	826,883,116	681,114,996
Trade accounts receivable - net	5	610,621,568	328,761,292	607,091,430	327,378,567
Loans to subsidiary		-	-	6,500,000	-
Programmes and film rights and production costs	6	14,379,620	19,228,809	12,326,580	13,939,717
Supplies		3,525,858	3,576,734	3,525,858	3,576,734
Accrued income	7	577,836,089	568,401,896	577,836,089	568,401,896
Prepaid expenses		12,391,343	8,633,028	12,391,343	8,633,028
Other current assets	8	33,156,568	71,487,832	32,589,686	70,581,740
Total current assets		3,642,871,587	4,253,756,519	3,634,621,839	4,245,848,274
Non - current assets					
Investment - equity method	9	-	-	6,714,254	5,150,149
Long-term investments - other - net	10	78,750,000	73,500,000	78,750,000	73,500,000
Property, plant and equipment - net	11	3,891,656,579	3,775,484,393	3,887,154,085	3,770,657,263
Other non - current assets	12	47,938,125	46,502,021	45,067,335	44,215,934
Total non - current assets		4,018,344,704	3,895,486,414	4,017,685,674	3,893,523,346
Total assets		7,661,216,291	8,149,242,933	7,652,307,513	8,139,371,620



บริษัท อสมท จำกัด (มหาชน)
MCOT PUBLIC COMPANY LIMITED

The notes are an integral part of these financial statements.

(Audited)

MCOT Public Company Limited
Balance Sheets (Continued)
As at December 31, 2005 and December 31, 2004

	Notes	Consolidated		Company	
		December 31,	December 31,	December 31,	December 31,
		2005	2004	2005	2004
		Baht	Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable		16,136,676	4,806,440	18,888,772	8,128,051
Advance received		30,043,748	19,289,643	30,043,748	19,289,643
Lease liabilities (maturing within one year)	13	399,015	376,617	-	-
Appropriation to the Ministry of Finance	14	-	660,523,361	-	660,523,361
Short - term borrowings		-	900,000	-	-
Accrued income tax		153,411,224	124,510,772	153,326,945	124,510,772
Accrued expenses	15	470,302,075	478,952,821	470,254,739	478,451,441
Other current liabilities	16	304,813,146	366,823,911	303,147,340	365,644,493
Total current liabilities		975,105,884	1,656,183,565	975,661,544	1,656,547,761
Non - current liabilities					
Lease liabilities	13	476,132	875,148	-	-
Long - term borrowings		2,000,000	4,000,000	-	-
Deferred revenue - net	17	247,361,074	290,290,454	247,361,074	290,290,454
Provision for retirement benefits	26	191,243,021	184,643,134	191,243,021	184,643,134
Pension fund		3,185,000	3,062,500	3,185,000	3,062,500
Other non - current liabilities		13,066,306	12,783,542	13,066,306	12,783,540
Total non - current liabilities		457,331,533	495,654,778	454,855,401	490,779,628
Total liabilities		1,432,437,417	2,151,838,343	1,430,516,945	2,147,327,389



บริษัท อสมท จำกัด (มหาชน)
 MCOT PUBLIC COMPANY LIMITED

The notes are an integral part of these financial statements.

(Audited)

MCOT Public Company Limited
Balance Sheets (Continued)

As at December 31, 2005 and December 31, 2004

	Notes	Consolidated		Company	
		December 31, 2005 Baht	December 31, 2004 Baht	December 31, 2005 Baht	December 31, 2004 Baht
Shareholders' equity					
Share capital					
Registered capital	18				
767,000,000 ordinary shares of Baht 5 each		3,835,000,000	3,835,000,000	3,835,000,000	3,835,000,000
Issued and fully paid - up capital	18				
687,099,210 ordinary shares of Baht 5 each		3,435,496,050	3,435,496,050	3,435,496,050	3,435,496,050
Premium on share capital		1,106,802,869	1,108,043,173	1,106,802,869	1,108,043,173
Fair value reserve	10	(6,250,000)	(11,500,000)	(6,250,000)	(11,500,000)
Retained earnings					
Appropriated - legal reserve	19	370,036,034	307,927,433	370,036,034	307,927,433
Unappropriated		1,315,705,615	1,152,077,575	1,315,705,615	1,152,077,575
Minority interest		6,988,306	5,360,359	-	-
Total shareholders' equity		6,228,778,874	5,997,404,590	6,221,790,568	5,992,044,231
Total liabilities and shareholders' equity		7,661,216,291	8,149,242,933	7,652,307,513	8,139,371,620



(Mr. Rawat Chamchalerm)

Chairman of MCOT Board of Directors of MCOT Public Company Limited



(Mr. Mingkwan Sangsuwan)

President of MCOT Public Company Limited



บริษัท อสมท จำกัด (มหาชน)
MCOT PUBLIC COMPANY LIMITED



The notes are an integral part of these financial statements.

(Audited)

MCOT Public Company Limited
Statements of Income
For the year ended on December 31, 2005
and for the period beginning from October 1, 2004 to December 31, 2004

	Notes	Consolidated		Company	
		For the year beginning January 1, 2005 to December 31, 2005	For the year beginning October 1, 2004 to December 31, 2004	For the year beginning January 1, 2005 to December 31, 2005	For the year beginning October 1, 2004 to December 31, 2004
		Baht	Baht	Baht	Baht
Operating revenues					
Revenues from television and radio broadcasting	21	2,756,393,832	635,764,104	2,726,574,807	633,327,706
Revenues from joint operation	22	660,290,065	187,143,029	660,290,065	187,143,029
Total operating revenues		3,416,683,897	822,907,133	3,386,864,872	820,470,735
Operating expenses					
Costs of television and radio broadcasting		1,329,387,616	324,979,751	1,315,062,212	328,144,392
Cost of joint operation		42,414,698	11,099,435	42,414,698	11,099,435
Selling and administrative expenses		595,810,393	248,431,164	585,522,631	246,284,509
Directors' remuneration	27(v)	7,178,015	5,360,817	7,178,015	5,360,817
Total operating expenses		1,974,790,722	589,871,167	1,950,177,556	590,889,153
Operating profit		1,441,893,175	233,035,966	1,436,687,316	229,581,582
Share of profit (loss) of subsidiary - equity method		-	-	1,564,105	1,560,994
Other income	23	61,704,106	17,727,095	61,963,023	17,725,906
Other expenses		(2,545,747)	(806,961)	(2,545,747)	(806,961)
Profit before interest		1,501,051,534	249,956,100	1,497,668,697	248,061,521
Interest expense		(160,275)	(35,347)	-	-
Profit before tax		1,500,891,259	249,920,753	1,497,668,697	248,061,521
Income tax		(395,434,939)	(89,747,379)	(393,840,323)	(89,512,855)
Profit before minorities		1,105,456,320	160,173,374	1,103,828,374	158,548,666
Profit attributable to minorities		(1,627,946)	(1,624,708)	-	-
Net profit for the period		1,103,828,374	158,548,666	1,103,828,374	158,548,666
Earnings per share (Baht)	28	1.61	0.24	1.61	0.24


บริษัท อสมท จำกัด (มหาชน)
MCOT PUBLIC COMPANY LIMITED


The notes are an integral part of these financial statements.

MCOT Public Company Limited
Statements of Changes in Shareholders' Equity
For the year ended on December 31, 2005 and for the period beginning from October 1, 2004 to December 31, 2004

Consolidated (Baht)							
Notes	Issued and paid - up capital	Premium on share capital	Fair value Reserve	Appropriated retained earnings - legal reserve	Unappropriated retained earnings	Minority interests	Total
Opening balance as at January 1, 2005	3,435,496,050	1,108,043,173	(11,500,000)	307,927,433	1,152,077,575	5,360,359	5,997,404,590
Net profit for the period	-	-	-	-	1,103,828,374	-	1,103,828,374
Legal reserve	-	-	-	62,108,601	(62,108,601)	-	-
Dividends Payment	-	-	-	-	(920,712,941)	-	(920,712,941)
Fair value adjustment	-	-	5,250,000	-	-	-	5,250,000
Adjustment	-	(1,240,304)	-	-	42,621,208	-	41,380,904
Gain attributable to minorities	-	-	-	-	-	1,627,947	1,627,947
Closing balance as at December 31, 2005	3,435,496,050	1,106,802,869	(6,250,000)	370,036,034	1,315,705,615	6,988,306	6,228,778,874

Consolidated (Baht)							
Notes	Issued and paid - up capital	Premium on share capital	Fair value Reserve	Appropriated retained earnings - legal reserve	Unappropriated retained earnings	Minority interests	Total
Opening balance as at October 1, 2004	3,000,000,000	-	(25,900,000)	300,000,000	1,001,456,342	3,735,651	4,279,291,993
Issuance of ordinary shares	435,496,050	1,108,043,173	-	-	-	-	1,543,539,223
Net profit for the period	-	-	-	-	158,548,666	-	158,548,666
Legal reserve	-	-	-	7,927,433	(7,927,433)	-	-
Fair value adjustment	-	-	14,400,000	-	-	-	14,400,000
Gain attributable to minorities	-	-	-	-	-	1,624,708	1,624,708
Closing balance as at December 31, 2004	3,435,496,050	1,108,043,173	(11,500,000)	307,927,433	1,152,077,575	5,360,359	5,997,404,590

The notes are an integral part of these financial statements.



บริษัท อสมท จำกัด (มหาชน)
MCOT PUBLIC COMPANY LIMITED

(Audited)

MCOT Public Company Limited

Statements of Changes in Shareholders' Equity (continued)

For the year ended on December 31, 2005 and for the period beginning from October 1, 2004 to December 31, 2004

Company (Baht)						
Notes	Issued and paid - up capital	Premium on share capital	Fair value Reserve	Appropriated retained earnings - legal reserve	Unappropriated retained earnings	Total
Opening balance as at January 1, 2005	3,435,496,050	1,108,043,173	(11,500,000)	307,927,433	1,152,077,575	5,992,044,231
Net profit for the period	-	-	-	-	1,103,828,374	1,103,828,374
Legal reserve 19	-	-	-	62,108,601	(62,108,601)	-
Dividends Payment 32	-	-	-	-	(920,712,941)	(920,712,941)
Fair value adjustment	-	-	5,250,000	-	-	5,250,000
Adjustment	-	(1,240,304)	-	-	42,621,208	41,380,904
Closing balance as at December 31, 2005	3,435,496,050	1,106,802,869	(6,250,000)	370,036,034	1,315,705,615	6,221,790,568

Company (Baht)						
Notes	Issued and paid - up capital	Premium on share capital	Fair value Reserve	Appropriated retained earnings - legal reserve	Unappropriated retained earnings	Total
Opening balance as at October 1, 2004	3,000,000,000	-	(25,900,000)	300,000,000	1,001,456,342	4,275,556,342
Issuance of ordinary shares 18	435,496,050	1,108,043,173	-	-	-	1,543,539,223
Net profit for the period	-	-	-	-	158,548,666	158,548,666
Legal reserve 19	-	-	-	7,927,433	(7,927,433)	-
Fair value adjustment	-	-	14,400,000	-	-	14,400,000
Closing balance as at December 31, 2004	3,435,496,050	1,108,043,173	(11,500,000)	307,927,433	1,152,077,575	5,992,044,231

The notes are an integral part of these financial statements.


 บริษัท อสมท จำกัด (มหาชน)
 MCOT PUBLIC COMPANY LIMITED

(Audited)

MCOT Public Company Limited
Statements of Cash Flows
For the year ended on December 31, 2005
and for the period beginning from October 1, 2004 to December 31, 2004

	Notes	Consolidated		Company	
		For the year beginning January 1, 2005 to December 31, 2005 Baht	For the year beginning October 1, 2004 to December 31, 2004 Baht	For the year beginning January 1, 2005 to December 31, 2005 Baht	For the year beginning October 1, 2004 to December 31, 2004 Baht
Cash flows from operating activities					
Net profit for the period		1,103,828,374	158,548,666	1,103,828,374	158,548,666
Reconciliation of net profit to cash inflow (outflow) from : operating					
activities : Doubtful accounts	5	2,481,712	(504,540)	2,075,112	(504,540)
Programmes and film rights and production costs	6	28,693,711	9,042,369	28,693,711	9,042,369
Depreciation	11	318,093,716	70,127,392	316,822,225	69,809,476
Employee stock expense		-	5,659,630	-	5,659,630
Amortisation of deferred land leasehold right	12	1,152,367	288,092	1,152,367	288,092
Loss from diminution in value of general investments - non - marketable		-	9,507,075	-	9,507,075
Donation revenue		(1,380,093)	-	(1,380,093)	-
Deferred revenue		(55,629,664)	(11,099,435)	(55,629,664)	(11,099,435)
(Gain) Loss from sales of assets		444,000	(36,922)	444,000	(36,922)
(Gain) Loss from exchange rate		(131,086)	-	(131,086)	-
Provision for retirement benefits		6,599,887	11,001,134	6,599,887	11,001,134
Share of (profit) loss of subsidiary - equity method		-	-	(1,564,105)	(1,560,994)
Minority interest		1,627,947	1,624,708	-	-
		1,405,780,871	254,158,169	1,400,910,728	250,654,551
(Increase) decrease in operating assets:					
Trade account receivable		(284,341,988)	19,307,365	(281,787,975)	17,172,922
Programmes and film rights and production costs		(23,844,522)	(4,910,159)	(27,080,574)	(264,042)
Supplies		50,876	(1,201,345)	50,876	(1,201,345)
Accrued income		(9,434,193)	(179,699,157)	(9,434,193)	(179,699,157)
Prepaid expenses		(3,758,315)	10,757,085	(3,758,315)	10,757,085
Joint operation receivables		-	5,000,000	-	5,000,000
Loan to related parties		-	-	(6,500,000)	-
Other current assets		38,331,264	(29,609,011)	37,992,054	(31,503,505)
Other non-current assets		(2,588,471)	880,399	(2,003,768)	1,080,273
Increase (decrease) in operating liabilities:					
Trade accounts payable		11,461,322	(3,746,014)	10,891,807	(883,042)
Short-term borrowings		(900,000)	-	-	-
Accrued income tax		28,900,452	89,512,855	28,816,173	89,512,855
Accrued expenses		(21,552,899)	160,774,604	(21,098,855)	160,705,464
Lease liabilities (maturing within one year)		22,398	1,322	-	-
Advance received		10,754,105	(33,189,794)	10,754,105	(33,189,794)
Other current liabilities		(62,010,765)	8,779,485	(62,497,153)	8,771,215
Lease liabilities		(399,016)	(90,574)	-	-



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MCOT PUBLIC COMPANY LIMITED

The notes are an integral part of these financial statements.

(Audited)

MCOT Public Company Limited
Statements of Cash Flows (Continued)
For the year ended on December 31, 2005
and for the period beginning from October 1, 2004 to December 31, 2004

	Notes	Consolidated		Company	
		For the year beginning January 1, 2005 to December 31, 2005 Baht	For the year beginning October 1, 2004 to December 31, 2004 Baht	For the year beginning January 1, 2005 to December 31, 2005 Baht	For the year beginning October 1, 2004 to December 31, 2004 Baht
Pension fund		122,500	130,000	122,500	130,000
Other non - current liabilities		282,764	227,392	282,766	227,392
Net cash inflow / (outflow) from operating activities		1,086,876,383	297,082,622	1,075,660,176	297,270,872
Cash flows from investing activities					
(Increase) decrease in short-term investments		(401,965,918)	(12,266,024)	(401,965,918)	(12,266,024)
(Increase) decrease in restricted cash		(145,768,120)	(61,798,072)	(145,768,120)	(61,798,072)
Acquisition of property, plant and equipment		(422,446,096)	(288,576,783)	(421,499,241)	(288,439,603)
Disposals of property, plant and equipment		1,816,571	239,118	1,816,571	180,583
Net cash inflow / (outflow) from investing activities		(968,363,563)	(362,401,761)	(967,416,708)	(362,323,116)
Cash flows from financing activities					
Adjustment		(1,240,304)	-	(1,240,304)	-
Paid for long - term borrowings		(2,000,000)	-	-	-
Proceeds from issue of ordinary shares		-	1,537,879,593	-	1,537,879,593
Appropriation to the Ministry of Finance		(605,000,000)	-	(605,000,000)	-
Dividend payment		(920,712,941)	-	(920,712,941)	-
Net cash outflow from investing activities		(1,528,953,245)	1,537,879,593	(1,526,953,245)	1,537,879,593
Net increase / (decrease) in cash and cash equivalents		(1,410,440,425)	1,472,560,454	(1,418,709,777)	1,472,827,349
Cash and cash equivalents at beginning of period		1,991,532,701	518,972,247	1,991,202,365	518,375,016
Cash and cash equivalents at ending of period	3	581,092,276	1,991,532,701	572,492,588	1,991,202,365
Supplementary information :					
Cash paid during the period					
Withholding tax paid		113,312,124	11,782,849	112,381,960	11,782,849
Interest paid		479,333	35,347	-	-
Income tax paid		286,581,529	-	286,000,656	-
Non - cash transactions					
Accounts payable arisen from purchases of property, plant and equipment		260,886,349	47,797,961	260,886,349	47,797,961



บริษัท อสมท จำกัด (มหาชน)
MCOT PUBLIC COMPANY LIMITED

The notes are an integral part of these financial statements.

MCOT Public Company Limited
Notes to the Financial Statements
For the year ended on December 31, 2005
and for the period beginning from October 1, 2004 to December 31, 2004

1 General information

Corporatization

MCOT Public Company Limited ('The Company' or 'MCOT') was incorporated as a public company limited on August 17, 2004. The Company was transformed from the Mass Communication Organization of Thailand ('M.C.O.T.') under the State Enterprise Capital Act, B.E. 2542. All business, rights, debts, liabilities, assets and equity, as well as all staffs from M.C.O.T. were transferred to the Company under the approval of the State Enterprise Capital Policy Committee on July 19, 2004 and the Cabinet Resolution on July 20, 2004.

The Company is exempted from complying with instructions, rules regulations and the Cabinet Resolutions as applicable to other state enterprises. The Company is registered and domiciled in Thailand. Its registered office is at 63/1 Rama 9 Road, Huay Kwang, Bangkok.

MCOT's principal business

MCOT operates a free television station Channel 9, and 62 radio stations. Under the Radio and Television Broadcasting Act, B.E. 2498, MCOT has to broadcast news, documentaries and educational programmes for not less than 50 percent of its total broadcasting time.

MCOT's principal business operations, both self-operated and through joint operations with other operators, are summarised as follows:

Television Broadcasting

MCOT operates channel 9 television station broadcasted with 625-line colour system and transmits from main station in Bangkok to 36 regional network stations in order to cover service areas throughout Thailand.

Radio Broadcasting

MCOT operates 62 radio stations in both central and regional region. MCOT central radio station broadcasts 7 of its radio stations via the F.M. system, which cover Bangkok and neighbouring provinces. Other 2 stations are broadcasted via the A.M. system, in which the service area is covered throughout Thailand. In addition, the other 53 stations are broadcasted by regional MCOT stations via the F.M. system in all regions throughout the country. Therefore, F.M. radio network, both central and regional, can provide service throughout most part of Thailand.



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MCOT PUBLIC COMPANY LIMITED

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For the year ended on December 31, 2005
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Thai News Station Services

MCOT has a business unit that is mainly responsible for producing, collecting, storing, analysing, and reporting news in order to broadcast via radio, television, and other electronic media under the name of “Thai News Agency”.

Joint Operation Agreements

MCOT has entered into various Joint Operation Agreements with operators to operate a television station, and pay television network services and radio station in respect of television station Channel 3, radio station F.M. 105.5 MHz. and UBC and other operators in digital satellite and cable television.

Under these agreements, the private operators must pay annual fees to MCOT based on certain percentages of service income or at the minimum rates specified in the individual agreements, whichever is higher. In addition, the operators, according to each respective Joint Operation Agreement, have to procure equipment for their operations, and transfer the ownership of this equipment to MCOT within the period specified in the agreements. Under most Joint Operation Agreements, the legal title to the assets is transferred to MCOT on the completion of construction, however, the operators retain the right to use the assets to generate revenues over the agreement period subject to both the operators and MCOT complying with the terms and conditions of the Joint Operation Agreements.

The principal terms of these Joint Operation Agreements are summarised below. The accounting policies for these agreements are discussed in Note 2.6 and the detail of each agreement is presented in Note 31.

(i) Colour Television Transmission

MCOT entered into the Joint Operation Agreement (“Agreement”) to operate colour TV transmission with the Bangkok Entertainment Company Limited (“BEC”) on April 28, 1978. The Agreement was subsequently amended as follows: the first amendment on September 13, 1982, the second amendment on July 16, 1987 and the third amendment on May 2, 1989.

The Agreement is a Build-Transfer-Operate (“BTO”) type agreement. MCOT granted BEC the right for joint operation of Channel 3 colour Thai TV station’s transmission until March 25, 2020. According to the Agreement, BEC has to transfer the ownership of certain equipment procured for the operations to MCOT whenever BEC acquires. In return, BEC has the right to use such equipment and has responsibility to the maintenance of the assets over the agreement period.

MCOT Public Company Limited
Notes to the Financial Statements (continued)
For the year ended on December 31, 2005
and for the period beginning from October 1, 2004 to December 31, 2004

1. General information (continued)

Joint Operation Agreements (continued)

(ii) Pay Television Services

UBC Group

MCOT entered into the Pay Television Network Service to operate digital satellite television with United Broadcasting Corporation Public Company Limited (“UBC”), formerly International Broadcasting Corporation Public Company Limited (“IBC”), and to operate cable television services with UBC Cable Network Company Limited (“UBCC”), formerly Thai Cable Vision Public Company Limited, (collectively - “UBC Group”) on April 17, 1989 and June 6, 1994, respectively.

Subsequently, there were amendments to the Agreement on May 19, 1994 and on April 17, 1998 with UBC, and September 7, 1994, November 9, 1994 and April 17, 1998 with UBC Group to grant UBC Group the right to operate pay television networks, based on both digital satellite television and cable television until September 30, 2014 and December 31, 2019, respectively.

World Cable Network

MCOT entered into another Pay Television Network Service Agreement with World Cable Network Public Company Limited (“WCN”) on May 14, 1996 to grant WCN the right to operate a pay television network based on digital satellite technology for 25 years commencing on January 1, 1997.

Cellular Vision (Thailand)

MCOT entered into another Pay Television Network Service Agreement with Cellular Vision (Thailand) Public Company Limited (“CVT”) on September 10, 1996 to grant CVT the right to operate a pay television network based on digital satellite technology for 25 years commencing on January 1, 1997.



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MCOT PUBLIC COMPANY LIMITED

MCOT Public Company Limited
Notes to the Financial Statements (continued)
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1. General information (continued)

Joint Operation Agreements (continued)

Thai Sky Cable TV

MCOT entered into another Pay Television Network Service Agreement (“Joint Operation Agreement”) with Thai Sky Cable TV Public Company Limited (“Thai Sky”) on July 2, 1990, subsequently amended on May 19, 1994, July 6, 1995 and September 12, 1995 to grant Thai Sky the right to operate a pay television network based on digital satellite technology for 25 years commencing on January 1, 1992.

The Joint Operation Agreement is a BTO agreement. According to the agreement, the four operators have to transfer the ownership of certain equipment procured for the operations of television networks to MCOT within the periods specified in each of the agreements. The operators have the right to use such equipment and are responsible for the maintenance of the assets over the agreement period. Under the agreement, the operators also have to pay annual fees to MCOT based on fixed percentages of gross revenues from subscription and installation or at the minimum fee as specified in each of the agreements, whichever is higher.

From the above, UBC Group is the only operator that is providing services at present.

(iii) Radio Broadcasting Services

MCOT entered into the Air Time Leased for Programming and Advertisements Agreement with BEC on January 25, 1990, amended on September 22, 1994.

Under the Agreement, MCOT granted BEC the right to produce programmes and advertise through one of MCOT’s F.M. radio stations, being on 105.5 MHz frequency, covering the Bangkok area, until January 31, 2020. To be consistent with the terms under the Joint Operation Agreement to operate colour TV transmission, as per the third amendment, it is agreed that if the agreement is terminated before its term for whatever reason, this right shall be deemed terminated.

MCOT Public Company Limited
Notes to the Financial Statements (continued)
For the year ended on December 31, 2005
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1. General information (continued)

Joint Operation Agreements (continued)

The Agreement is a BTO agreement under which BEC has to transfer the ownership of certain equipment procured for the operations of the radio station to MCOT within the specified period. BEC has the right to use such equipment and is responsible for the maintenance of the assets over the agreement period.

(iv) News Information Services

MCOT entered into the News Information Services Agreement to provide information under the Radio Broadcast Data System via radio frequency and a North America Basic Teletext Specification (“NABTS”) via television transmission with R.B.D.S. (Thailand) Company Limited (“RBDS”) on December 26, 1997.

The Agreement is a BTO agreement. MCOT granted RBDS the right to provide the news information services for 25 years commencing on January 1, 1998. According to the Agreement, RBDS has to transfer the ownership of certain equipment procured for the operations to MCOT within the period specified in the agreement. RBDS has the right to use such equipment and is responsible for the maintenance of the assets over the agreement period.

Under all Joint Operation Agreements, the operators are responsible for the procurement, installation, expansion, financing and operation of the assets relating to the operation and for transferring ownership of these assets to MCOT upon completion of construction or commencement of services. Upon transfer of the ownership, MCOT will provide each operator with exclusive rights to use the transferred assets throughout each agreement period. Operators are responsible for the repair and maintenance of their assets in good condition and for providing all risk insurance, with MCOT as the exclusive beneficiary of the assets throughout the agreement periods. Upon the expiration of the individual agreement periods, the respective assets under the agreements must be physically transferred to MCOT in good physical condition and working order.

Subsidiary’s principal business

Panorama Worldwide Company Limited is MCOT’s subsidiary company. Its main business is production of television programmes for MCOT and other companies.



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Notes to the Financial Statements (continued)
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2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis for preparation

MCOT has transformed to the public company limited on August 17, 2004. On October 18, 2004, the Ministry of Finance, as the shareholder of the Company, issued a notification, which was treated as a shareholder's resolution, and approved the change in the Company's fiscal year from that of the governmental budget year (starting on October 1 of each year and ending on September 30 of the following year) to the calendar year (starting on January 1 and ending on December 31 of each year). Immediately after such change, the first fiscal year will be the period beginning on October 1, 2004 to December 31, 2004. MCOT has obtained approval from the Revenue Department to change its accounting period on October 28, 2004. In addition, the Company has notified such change to the Accounting Inspector, the Department of Business Development, the Ministry of Commerce.

When using the comparative information, the users of these financial statements should take into consideration the fact that the length of the accounting period for the Consolidated and Company financial statements for the period beginning on October 1, 2004 to December 31, 2004 presented for comparative purposes is not the same as for the Consolidated and Company financial statements for the year ended on December 31, 2005

The consolidated and company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act, B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 and the financial reporting requirement of The Securities and Exchange Commission.

For the convenience of the user, an English translation of the financial statements has been prepared from the statutory financial statements that are issued in Thai language.

MCOT Public Company Limited
Notes to the Financial Statements (continued)
For the year ended on December 31, 2005
and for the period beginning from October 1, 2004 to December 31, 2004

2 Accounting policies (continued)

2.2 Consolidation

Subsidiaries, which are the entities in which the group has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the controls another entity.

Subsidiaries are consolidated from the date of which control is transferred to the MCOT and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Intercompany transactions, balances and unrealized gains on transactions between companies are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Minority interests are third parties' shares of interests in subsidiary and are separately disclosed in the financial statements.

The principal subsidiary is set out in Note 9.

2.3 Use of estimates

The preparation of consolidated financial statements and company financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates.

2.4 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, trade accounts receivable, accrued income, other current assets, investments, trade accounts payable, and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.



บริษัท อสมท จำกัด (มหาชน)
MCOT PUBLIC COMPANY LIMITED

A handwritten signature in blue ink, likely of a company representative.

MCOT Public Company Limited
Notes to the Financial Statements (continued)
For the year ended on December 31, 2005
and for the period beginning from October 1, 2004 to December 31, 2004

2 Accounting policies (continued)

2.5 Foreign currency translation

Foreign currency transactions are translated into Baht at the rate of exchange prevailing on the transaction dates. Gains and losses resulting from the settlements of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Baht at the rate of exchange prevailing at the balance sheet date.

2.6 Joint Operations

A summary of MCOT's principal joint operation agreements is included in Note 1.

(i) Revenue sharing

MCOT recognises its entitlement to revenue sharing under the accruals basis as the operator earns the income from which the revenue share is paid to MCOT. If the certified statements have not yet been received, revenue sharing is recognised based on the latest data made available to MCOT by the operators.

MCOT does not recognise the minimum guaranteed fees as assets.

(ii) Transferred assets

In accordance with the guidance regarding the accounting treatment for concession asset provided by the Institution of Certified Accountants and Auditors of Thailand, assets transferred from joint operations are recognised when MCOT gains legal ownership of the assets. These transferred assets are recognised at the transferred value with a corresponding credit to deferred income. Assets transferred from the operators are depreciated with a corresponding amortisation of the deferred income, from the date of recognition over of their useful lives of the assets or the remaining agreement period whichever is shorter (See Note 2.13).

MCOT Public Company Limited
Notes to the Financial Statements (continued)
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2 Accounting policies (continued)

(iii) Shares received under Joint Operation Agreements

Under certain Joint Operation Agreements, MCOT received shares in the limited liability operator company. The consideration for these was paid by the private sector shareholder of the operator. These investments were recognised initially at fair value, with a corresponding credit to income. The investments are recognised as long-term investments, available-for-sale securities and non-marketable securities according to MCOT's underlying ownership interest.

A test of impairment is carried out when there is an indication that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and financial institutions and other short-term highly liquid investments with original maturities of three months or less.

2.8 Investment in subsidiaries

Subsidiaries, which are those entities in which the main company in the Group has power to govern the financial and operating policies are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to MCOT and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Related transactions, balances and unrealised gains and losses on transactions between companies are eliminated; Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements investments in subsidiaries are reported by using the equity method of accounting.

The principal subsidiary is set out in Note 9.



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MCOT Public Company Limited
Notes to the Financial Statements (continued)
For the year ended on December 31, 2005
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2 Accounting policies (continued)

2.9 Investments

The Group classifies its investments into the following categories; trading, held-to-maturity, available-for-sale and general investments. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets (the group did not hold any investments in this category at the balance sheet date). Investments with fixed maturity that the management intends to and has the ability to hold to maturity are classified as held-to-maturity and are included in non-current assets (the Group did not hold any investments in this category at the balance sheet date). Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. These are included in non-current assets unless management has expressed an intention of holding the investment for not more than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Investments in equity securities that are not listed on the stock exchange are classified as general investments. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates the designation on a regular basis.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. The cost of purchase includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value, whilst held-to-maturity investments are carried at amortised cost using the effective yield method. General investments are carried at original cost. Unrealised gains and losses arising from changes in the fair value of trading investments and available-for-sale investments are included in the statement of income in the period in which they arise and in owner's equity, respectively. Realised gains and losses are determined on the weighted average method and are reflected in the statement of income.

A test of impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

MCOT Public Company Limited
Notes to the Financial Statements (continued)
For the year ended on December 31, 2005
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2 Accounting policies (continued)

When disposing of part of the holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined from the weighted carrying amount of the total holding of the investment.

2.10 Trade accounts receivable

Trade accounts receivables are carried at original invoice amount less allowance for doubtful accounts. An estimate is made for doubtful receivables based on historical experience in the collection of accounts receivable and a review of all outstanding non-government and non-state enterprise receivable due for more than 6 months. Bad debts are written off during the year in which they are identified.

2.11 Supplies

Supplies are stated at the cost or net realisable value, whichever is lower. Cost is determined by the first-in first-out method. Allowance is made against cost of supplies where, in the opinion of the management, there is diminution in value arising from obsolete, slow-moving and defective supplies or is otherwise required by changes in circumstances. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of selling.

2.12 Programmes, film rights and production costs

The Group buys programmes and film broadcasting rights. Programmes rights are stated at cost. The cost comprises both the purchase price and other costs directly attributable to the acquisition of the programme rights, such as duties, less all attributable discounts, allowance or rebates. Provision is made, where necessary, for impairment based on the estimated recoverable value.

The cost of the programmes rights is amortized according to the numbers of episodes or the transmission period specified in the broadcasting agreement or within 3 years. If agreement allows the programme to be broadcasted more than once, the cost of programme rights is amortised in full value in the first transmission.



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2 Accounting policies (continued)

Production costs

Production costs of entertainment programmes comprise direct costs related to production. News production costs are expensed as they are incurred. Costs relating to other in-house productions which yield future economic benefit to the Group are capitalised as costs of entertainment programmes production based on estimated recoverable revenues and are amortised when the production is broadcast.

2.13 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation, except for land which is considered to have an indefinite life.

Depreciation is calculated using the straight-line method to write off the cost of each asset over its estimated useful life as follow:

Building and structures	20 years
Production and transmission equipment	10 years
Office equipment	10 years
Mainframe and mini computer	6.67 years
Computer network	6.67 years
Computers and software	5 years
Motor vehicles	4 - 5 years

The Group has policy to review asset values annually, and to adjust depreciation to match estimated useful lives. Expenditure incurred for addition, renewal or betterment, which results in a substantial increase in an asset's current replacement value, is capitalised. Repair and maintenance costs are recognised as an expense when incurred.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written off immediately to its recoverable amount. Estimated recoverable amount is the higher amount between the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

MCOT Public Company Limited
Notes to the Financial Statements (continued)
For the year ended on December 31, 2005
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2 Accounting policies (continued)

2.13 Property, plant and equipment (continued)

Gains and losses on disposal of property, plant and equipment are determined by the difference between net cash gains and the carrying amount and are shown as other income or other expenses in statement of income .

Included in property, plant and equipment is property, plant and equipment held under Joint Operation Agreements as described in Note 1. This property, plant and equipment are depreciated over the shorter of its useful lives or the remaining agreement period.

2.14 Land leasehold right

The Group recorded land leasehold right as a deferred expense under “Other non-current assets” and amortised it using the straight-line method over the period of 30 years in accordance with the lease term.

2.15 Provisions

Provisions are recognised when Group has a present legal or constructive obligation as a result of past events, and a reliable estimate of the amount of the obligation can be made.

2.16 Long term leases

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are recorded as capital expenses for the fair value of the leased property or the present value of the minimum lease payments ,whichever is lower. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, deducted by finance charges are recorded as long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.



MCOT Public Company Limited
Notes to the Financial Statements (continued)
For the year ended on December 31, 2005
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2 Accounting policies (continued)

2.17 Income tax

The Group does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The Company is subject to income tax pursuant to the Revenue Code at the corporate rate of 30% of net income starting from August 17, 2004, (date of incorporation).

When MCOT registered on the Stock Exchange of Thailand in November 2004, MCOT granted a tax privilege to be subject to corporate income tax at the rate of 25% starting from the accounting period beginning January 1, 2005 onward.

2.18 Employee benefits

Provident fund

The Company MCOT established a provident fund, which is a defined contribution plan. The Registered Provident Fund of MCOT Public Company Limited (the "Provident Fund") was established on August 28, 1995. Currently, 1,069 employees are members. The assets of the provident fund are held in a separate trustee-administered fund. The provident fund is funded by contributions from both employees and MCOT. MCOT's contributions to the provident fund are charged to the statement of income in the period to which the contributions relate.

Pension fund

Under MCOT's employment policy, all employees are entitled to a pension upon termination of contract, including forced termination or retrenchment or in the event that the employee reaches the retirement age of 60. The employee's pension entitlement is determined according to their individual length of service and stands at a maximum of 6 to 8 times their monthly salary, unless otherwise agreed in an employee's employment contract.

MCOT estimates this liability based on various factors, including assessment of the average age and service life of its employees, employee turnover and assumptions on future salary increases. The liability is discounted to its present value at the balance sheet date.

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2 Accounting policies (continued)

2.19 Revenue recognition

The revenues are recognised as follow:

Advertising revenues from broadcasting on television and radio and revenues from airtime rental are recognised upon the broadcasting of such programmes.

Revenue from joint operation agreements in respect of the radio stations is recognised as income according to the validity period of the agreements.

Revenues from joint operation agreements in respect to colour television, pay television network service and news information services are recognised as income under the accrual basis, as the operators earn the income, a share of which MCOT is entitled to.

Revenue from production of TV programmes is recognized as income when service is rendered.

Interest income is recognised as it accrues.

3 Cash and cash equivalents

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Cash on hand	536,659	519,127	505,478	490,729
Cash at banks - Savings deposits	362,665,294	1,816,632,940	354,096,787	1,816,331,002
Cash at banks - Fixed deposits	217,890,323	174,380,634	217,890,323	174,380,634
Total cash and cash equivalents	581,092,276	1,991,532,701	572,492,588	1,991,202,365



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4 Short - term investments

Short - term investments are fixed deposits having maturities of over 3 months.

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
6 - month fixed deposits	910,043,026	65,271,872	910,043,026	65,271,872
12 - month fixed deposits	72,942,123	515,747,359	72,942,123	515,747,359
Total short - term investments	982,985,149	581,019,231	982,985,149	581,019,231

Restricted cash

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
6 - month fixed deposits	113,330	113,330	113,330	113,330
12 - month fixed deposits	826,769,786	681,001,666	826,769,786	681,001,666
Total restricted cash	826,883,116	681,114,996	826,883,116	681,114,996

Restricted cash which represents the 6 - month fixed deposits at a bank is under the condition that MCOT has to retain collateral for compensating in case there are damages or breaches of the television broadcasting right agreement with the Stock Exchange of Thailand.

Restricted cash which represents the 12 - month fixed deposits at a bank is under the condition that the bank will charge interest rate on staff mortgage loans at 1 percent higher than the fixed deposit interest rate that MCOT earns, and that MCOT must maintain the deposit balance at twice the outstanding balance of staff loans. MCOT has no obligation to guarantee such loans.

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5 Trade accounts receivable - net

	Consolidated		Company	
	December 31, 2005 Baht	December 31, 2004 Baht	December 31, 2005 Baht	December 31, 2004 Baht
Trade accounts receivable	1,011,962,190	727,620,202	1,008,025,452	726,237,477
<u>Less</u> Allowance for doubtful accounts	(401,340,622)	(398,858,910)	(400,934,022)	(398,858,910)
Trade accounts receivable- net	610,621,568	328,761,292	607,091,430	327,378,567

Outstanding trade accounts receivable - third party as at December 31, 2005 and December 31, 2004 can be analysed as follows:

	Consolidated		Company	
	December 31, 2005 Baht	December 31, 2004 Baht	December 31, 2005 Baht	December 31, 2004 Baht
Current - 6 months	554,056,415	325,018,138	550,119,677	323,635,413
6 - 12 months	57,022,460	5,193,122	57,022,460	5,193,122
1 - 2 years	5,374,132	4,081,422	5,374,132	4,081,422
Over 2 years	395,509,183	393,327,520	395,509,183	393,327,520
Total	1,011,962,190	727,620,202	1,008,025,452	726,237,477
<u>Less</u> Allowance for doubtful accounts	(401,340,622)	(398,858,910)	(400,934,022)	(398,858,910)
Trade accounts receivable - net	610,621,568	328,761,292	607,091,430	327,378,567

The Group provided for the allowance for doubtful accounts of outstanding non - government and non - state enterprise receivables aged over 6 months.

Concentrations of credit risk with respect to trade accounts receivable are limited due to a large number of receivables from advertising and airtime rental. The Group experience in the collection of accounts receivable indicates that the allowance provided is sufficient. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the trade accounts receivable.



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6 Programmes and film rights and production costs

	Consolidated		Company	
	December 31, 2005 Baht	December 31, 2004 Baht	December 31, 2005 Baht	December 31, 2004 Baht
Opening net book value	19,228,809	23,361,019	13,939,717	22,718,044
Additions	27,080,574	4,910,159	27,080,574	264,042
Less Amortization	(31,929,763)	(9,042,369)	(28,693,711)	(9,042,369)
Closing net book value	14,379,620	19,228,809	12,326,580	13,939,717

7 Accrued income

	Consolidated		Company	
	December 31, 2005 Baht	December 31, 2004 Baht	December 31, 2005 Baht	December 31, 2004 Baht
Accrued income from joint operation	522,727,543	491,479,615	522,727,543	491,479,615
Accrued income from advertising and airtime rental	38,074,490	70,356,863	38,074,490	70,356,863
Accrued interest income	17,034,056	6,565,418	17,034,056	6,565,418
Total accrued income	577,836,089	568,401,896	577,836,089	568,401,896

8 Other current assets

	Consolidated		Company	
	December 31, 2005 Baht	December 31, 2004 Baht	December 31, 2005 Baht	December 31, 2004 Baht
Withholding tax and other taxes	9,682,699	44,654,945	9,386,853	44,377,535
Advance payments	9,470,073	13,517,322	9,280,237	13,517,322
Other advances	13,256,685	12,773,853	13,223,685	12,253,353
Others	747,111	541,712	698,911	433,530
Total other current assets	33,156,568	71,487,832	32,589,686	70,581,740

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9 Investment - equity method

- i) Investment - equity method as at December 31, 2005 and December 31 2004 are as follows :

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Subsidiary				
Panorama Worldwide Company Limited	-	-	6,714,254	5,150,149
Total investment - equity method	-	-	6,714,254	5,150,149

- ii) Changes in investment - equity method for the year ended December 31, 2005 and for the period beginning October 1, 2004 to December 31, 2004 are as follows:

	Company	
	December 31, 2005	December 31, 2004
	Baht	Baht
Opening net book value	5,150,149	3,589,155
Additions	-	-
Share of profit (loss) of subsidiary	1,564,105	1,560,994
Closing net book value	6,714,254	5,150,149

- iii) Investment - equity method can be summarized as follow :

Company name	Business	Country of Incorporation	Currency
Subsidiary			
Panorama Worldwide Company Limited	Production of television programmes services	Thailand	Baht



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9 Investment - equity method (continued)

iv) Fair value of investment in subsidiary is as follow:

	Company as of December 31, 2005				
	Paid up capital	% ownership interest	Investment cost method	Investment equity method	Dividend
Subsidiary					
Panorama Worldwide Company Limited	10,000,000	49	4,900,000	6,714,254	-
	Company as of December 31, 2004				
	Paid up capital	% ownership interest	Investment cost method	Investment equity method	Dividend
Subsidiary					
Panorama Worldwide Company Limited	10,000,000	49	4,900,000	5,150,149	-

10 Long - term investments - other - net

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Long - term investments				
- Available - for - sale securities	78,750,000	73,500,000	78,750,000	73,500,000
Total long - term				
Investments - other - net	78,750,000	73,500,000	78,750,000	73,500,000

Available - for - sale securities

Movements in available - for - sale securities

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10 Long-term investments - other - net (continued)

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Opening net book value	73,500,000	59,100,000	73,500,000	59,100,000
Unrealised gain (loss) arising from changes in fair value of investments	5,250,000	14,400,000	5,250,000	14,400,000
Closing net book value	78,750,000	73,500,000	78,750,000	73,500,000

General investments - Non - marketable securities

Movements in general investments- Non-marketable securities

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Opening net book value	110,000,000	9,507,075	110,000,000	9,507,075
Diminution in value	(110,000,000)	(9,507,075)	(110,000,000)	(9,507,075)
Closing net book value	-	-	-	-



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10 Long-term investments - other - net (continued)

	Business	Relationship	Ownership interest	Consolidated		Company	
				December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
			%	Investment Cost Method Baht	Investment Cost Method Baht	Investment Cost Method Baht	Investment Cost Method Baht
Available-for - sale securities							
United Broadcasting Corporation Public Company Limited	Pay Television	Shareholder	0.40	85,000,000	85,000,000	85,000,000	85,000,000
Less Fair value adjustment				(6,250,000)	(11,500,000)	(6,250,000)	(11,500,000)
Available-for-sales securities- net				78,750,000	73,500,000	78,750,000	73,500,000
General investments							
- Non - marketable securities							
UBC Cable Network Public Company Limited		Shareholder	0.98	50,000,000	50,000,000	50,000,000	50,000,000
World Cable Network Public Company Limited		Shareholder	10	30,000,000	30,000,000	30,000,000	30,000,000
Cellular Vision (Thailand) Public Company Limited		Shareholder	10	10,000,000	10,000,000	10,000,000	10,000,000
R.B.D.S. (Thailand) Company Limited		Shareholder	20	20,000,000	20,000,000	20,000,000	20,000,000
Total				110,000,000	110,000,000	110,000,000	110,000,000
Less Diminution in value				(110,000,000)	(110,000,000)	(110,000,000)	(110,000,000)
General investments - Non - marketable securities - net				-	-	-	-
Long - term investments - net				78,750,000	73,500,000	78,750,000	73,500,000



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11 Property, plant and equipment - net

Property, plant and equipment included assets transferred under the Joint Operation Agreements under which MCOT grants the operators the right to use the transferred assets throughout the agreement periods.

	Consolidated		
	Assets used in the operations Baht	Assets under Joint Operation Baht	Total Baht
As at December 31, 2005			
Opening net book value	3,485,193,939	290,290,454	3,775,484,393
Additions/transfers	424,713,892	11,812,580	436,526,472
Disposals - net	(815,171)	(1,445,400)	(2,260,571)
Depreciation	(275,679,019)	(42,414,696)	(318,093,715)
Closing net book value	3,633,413,641	258,242,938	3,891,656,579

	Consolidated		
	Assets used in the operations Baht	Assets under Joint Operation Agreements Baht	Total Baht
As at December 31, 2004			
Opening net book value	3,208,049,346	301,389,889	3,509,439,235
Additions/transfers	336,374,745	-	336,374,745
Disposals -net	(202,195)	-	(202,195)
Depreciation	(59,027,957)	(11,099,435)	(70,127,392)
Closing net book value	3,485,193,939	290,290,454	3,775,484,393



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11 Property, plant and equipment - net (continued)

	Company		
	Fixed assets used in the Company's operations	Assets under Joint Operation Agreements	Total
	Baht	Baht	Baht
As at December 31, 2005			
Opening net book value	3,480,366,809	290,290,454	3,770,657,263
Additions/transfers	423,767,037	11,812,580	435,579,617
Disposals -net	(815,171)	(1,445,400)	(2,260,571)
Depreciation	(274,407,528)	(42,414,696)	(316,822,224)
Closing net book value	3,628,911,147	258,242,938	3,887,154,085

	Company		
	Fixed assets used in the Company's operations	Assets under Joint Operation Agreements	Total
	Baht	Baht	Baht
As at December 31, 2004			
Opening net book value	3,202,982,946	301,389,889	3,504,372,835
Additions/transfers	336,237,565	-	336,237,565
Disposals -net	(143,661)	-	(143,661)
Depreciation	(58,710,041)	(11,099,435)	(69,809,476)
Closing net book value	3,480,366,809	290,290,454	3,770,657,263

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11 Property, plant and equipment - net (continued)

	Consolidated							Total Baht
	Land Baht	Building and structures Baht	Production and transmission equipment Baht	Office equipment and computers Baht	Motor vehicles Baht	Construction in progress Baht	Equipment under installation Baht	
Assets used in the Group's operations								
For the year ended December 31, 2005								
Opening net book value	1,290,835,220	605,856,266	1,117,152,223	60,011,942	15,849,458	39,231,404	356,257,426	3,485,193,939
Additions / transfers	38,000	18,333,612	534,806,126	12,883,363	-	(9,745,044)	(131,602,165)	424,713,892
Disposals - net	-	-	-	-	(815,171)	-	-	(815,171)
Depreciation	-	(35,219,541)	(228,177,675)	(11,311,261)	(970,542)	-	-	(275,679,019)
Closing net book value	1,290,873,220	588,970,337	1,423,780,674	61,584,044	14,063,745	29,486,360	224,655,261	3,633,413,641
As at December 31, 2005								
Cost	1,290,873,220	804,285,418	2,956,563,185	159,390,783	60,203,960	29,486,360	224,655,261	5,525,458,187
Less Accumulated depreciation	-	(215,315,081)	(1,532,782,511)	(97,806,739)	(46,140,215)	-	-	(1,892,044,546)
Net book value	1,290,873,220	588,970,337	1,423,780,674	61,584,044	14,063,745	29,486,360	224,655,261	3,633,413,641



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11 Property, plant and equipment - net (continued)

	Consolidated							Total Baht
	Land Baht	Building and structures Baht	Production and transmission equipment Baht	Office equipment and computers Baht	Motor vehicles Baht	Construction in progress Baht	Equipment under installation Baht	
Assets used in the Group's operations								
For the period beginning October 1, 2004 to December 31, 2004								
Opening net book value	1,290,835,220	612,490,235	1,010,042,777	61,362,192	16,148,987	34,408,049	182,761,886	3,208,049,346
Additions / transfers	-	1,973,254	154,677,258	1,405,338	-	4,823,355	173,495,540	336,374,745
Disposals - net	-	-	(143,660)	(58,535)	-	-	-	(202,195)
Depreciation	-	(8,607,223)	(47,424,152)	(2,697,053)	(299,529)	-	-	(59,027,957)
Closing net book value	1,290,835,220	605,856,266	1,117,152,223	60,011,942	15,849,458	39,231,404	356,257,426	3,485,193,939
As at December 31, 2004								
Cost	1,290,835,220	785,944,475	2,429,660,988	146,448,192	63,963,231	39,231,404	356,257,426	5,112,340,936
<u>Less</u> Accumulated depreciation	-	(180,088,209)	(1,312,508,765)	(86,436,250)	(48,113,773)	-	-	(1,627,146,997)
Net book value	1,290,835,220	605,856,266	1,117,152,223	60,011,942	15,849,458	39,231,404	356,257,426	3,485,193,939



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11 Property, plant and equipment - net (continued)

	Company							Total Baht
	Land Baht	Building and structures Baht	Production and transmission equipment Baht	Office equipment and computers Baht	Motor vehicles Baht	Construction in progress Baht	Equipment under installation Baht	
Assets used in the Company's operations								
For the year ended December 31, 2005								
Opening net book value	1,290,835,220	605,856,266	1,116,327,265	57,690,936	14,168,292	39,231,404	356,257,426	3,480,366,809
Additions / transfers	38,000	18,333,612	534,445,065	12,297,569	-	(9,745,044)	(131,602,165)	423,767,037
Disposals - net	-	-	-	-	(815,171)	-	-	(815,171)
Depreciation	-	(35,219,541)	(227,940,911)	(10,689,880)	(557,196)	-	-	(274,407,528)
Closing net book value	1,290,873,220	588,970,337	1,422,831,419	59,298,625	12,795,925	29,486,360	224,655,261	3,628,911,147
As at December 31, 2005								
Cost	1,290,873,220	804,285,418	2,955,199,481	155,966,887	58,137,232	29,486,360	224,655,261	5,518,603,859
Less Accumulated depreciation	-	(215,315,081)	(1,532,368,062)	(96,668,262)	(45,341,307)	-	-	-(1,889,692,712)
Net book value	1,290,873,220	588,970,337	1,422,831,419	59,298,625	12,795,925	29,486,360	224,655,261	3,628,911,147



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11 Property, plant and equipment - net (continued)

	Company							Total Baht
	Land Baht	Building and structures Baht	Production and transmission equipment Baht	Office equipment and computers Baht	Motor vehicles Baht	Construction in progress Baht	Equipment under installation Baht	
Assets used in the Company's operations								
For the period beginning October 1, 2004 to								
December 31, 2004								
Opening net book value	1,290,835,220	612,490,235	1,009,213,945	58,909,691	14,363,920	34,408,049	182,761,886	3,202,982,946
Additions / transfers	-	1,973,254	154,632,478	1,312,938	-	4,823,355	173,495,540	336,237,565
Disposals - net	-	-	(143,661)	-	-	-	-	(143,661)
Depreciation	-	(8,607,223)	(47,375,497)	(2,531,693)	(195,628)	-	-	(58,710,041)
Closing net book value	1,290,835,220	605,856,266	1,116,327,265	57,690,936	14,168,292	39,231,404	356,257,426	3,480,366,809
As at December 31, 2004								
Cost	1,290,835,220	785,944,475	2,428,658,345	143,610,090	61,896,502	39,231,404	356,257,426	5,106,433,462
<u>Less</u> Accumulated depreciation	-	(180,088,209)	(1,312,331,080)	(85,919,154)	(47,728,210)	-	-	-(1,626,066,653)
Net book value	1,290,835,220	605,856,266	1,116,327,265	57,690,936	14,168,292	39,231,404	356,257,426	3,480,366,809



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11 Property, plant and equipment - net (continued)

	Consolidated / Company					Total Baht
	Land Baht	Network station สถานีเครือข่าย Baht	Production and transmission equipment Baht	Furniture, fixtures Baht	Motor vehicles Baht	
Assets under Joint Operation Agreements						
For the year ended December 31, 2005						
Opening net book value	31,086,631	130,105,485	124,087,620	1,933,118	3,077,600	290,290,454
Additions / transfers	345,000	3,624,000	7,580,100	263,480	-	11,812,580
Disposals - net	-	-	-	-	(1,445,400)	(1,445,400)
Depreciation	-	(14,656,854)	(27,296,053)	(461,789)	-	(42,414,696)
Closing net book value	31,431,631	119,072,631	104,371,667	1,734,809	1,632,200	258,242,938
As at December 31, 2005						
Cost	31,431,631	293,246,311	1,368,539,687	23,808,799	8,161,000	1,725,187,428
Less Accumulated depreciation	-	(174,173,680)	(1,076,749,423)	(22,073,990)	(6,528,800)	(1,279,525,893)
Provision for impairment	-	-	(187,418,597)	-	-	(187,418,597)
Net book value	31,431,631	119,072,631	104,371,667	1,734,809	1,632,200	258,242,938



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11 Property, plant and equipment - net (continued)

	Consolidated / Company					Total Baht
	Land Baht	Network station สถานีเครือข่าย Baht	Production and transmission equipment Baht	Furniture, fixtures Baht	Motor vehicles Baht	
Assets under Joint Operation Agreements						
For the period beginning October 1, 2004 to December 31, 2004						
Opening net book value	31,086,631	133,755,522	131,409,942	2,060,194	3,077,600	301,389,889
Depreciation	-	(3,650,037)	(7,322,322)	(127,076)	-	(11,099,435)
Closing net book value	31,086,631	130,105,485	124,087,620	1,933,118	3,077,600	290,290,454
As at December 31, 2004						
Cost	31,086,631	289,622,313	1,360,959,588	23,545,318	15,388,000	1,720,601,850
<u>Less</u> Accumulated depreciation	-	(159,516,828)	(1,049,453,371)	(21,612,200)	(12,310,400)	(1,242,892,799)
Provision for impairment	-	-	(187,418,597)	-	-	(187,418,597)
Net book value	31,086,631	130,105,485	124,087,620	1,933,118	3,077,600	290,290,454



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12 Other non - current assets

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Land leasehold right - net	22,599,946	23,752,313	22,599,946	23,752,313
Staff receivables - Staff Welfare Fund	5,850,000	5,850,000	5,850,000	5,850,000
Deposits and guarantees	2,991,886	3,044,414	829,427	758,327
Other accrued income	15,187,962	13,855,294	15,187,962	13,855,294
Others	1,308,331	-	600,000	-
Total	47,938,125	46,502,021	45,067,335	44,215,934

Land leasehold right represents the land leasehold right under a land leasehold agreement with the State Railway of Thailand amounting to Baht 34,571,000. The amortisation for the period amounted to Baht 1,152,367.

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Land leasehold right	23,752,313	34,571,000	23,752,313	34,571,000
<u>Less</u> Accumulated amortisation	(1,152,367)	(10,818,687)	(1,152,367)	(10,818,687)
Land leasehold right - net	22,599,946	23,752,313	22,599,946	23,752,313



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13 Lease liabilities

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Not later than 1 year				
Lease liabilities	436,393	436,393	-	-
<u>Less</u> Deferred lease interest	(37,378)	(59,776)	-	-
Lease liabilities - net	399,015	376,617	-	-
Over 1 year				
Lease liabilities	491,429	927,822	-	-
<u>Less</u> Deferred lease interest	(15,297)	(52,674)	-	-
Lease liabilities - net	476,132	875,148	-	-

14 Appropriation to the Ministry of Finance

Appropriation to the Ministry of Finance of Baht 661 million was accrued from the appropriation calculated from operating results of MCOT for the period from October 1, 2003 to August 16, 2004 (Date of registration of termination). The Company already paid out the Appropriation to the Ministry of Finance on February 28, 2005

15 Accrued expenses

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Accrued operating expenses	158,896,108	228,368,803	158,848,772	227,867,423
Accrued selling expenses	130,778,943	118,590,526	130,778,943	118,590,526
Accrued bonus	180,627,024	131,993,492	180,627,024	131,993,492
Total	470,302,075	478,952,821	470,254,739	478,451,441

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16 Other current liabilities

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Payables - purchases of property, plant and equipment	279,255,394	330,786,715	279,255,394	330,395,602
Other accounts payable	4,502,854	16,824,292	4,429,554	16,753,642
Accounts payable - Revenue Department	12,854,348	12,344,942	12,026,622	12,159,157
Accrued withholding tax	7,590,481	6,366,510	7,435,770	6,258,540
Undue output VAT	610,069	501,452	-	77,552
Total	304,813,146	366,823,911	303,147,340	365,644,493

17 Deferred revenue - net

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Deferred revenue	1,379,149,930	1,386,340,230	1,379,149,930	1,386,340,230
<u>Less Accumulated</u> amortisation	(1,131,788,856)	(1,096,049,776)	(1,131,788,856)	(1,096,049,776)
Total deferred revenue - net	247,361,074	290,290,454	247,361,074	290,290,454
Amortisation for the period	41,483,979	11,099,435	41,483,979	11,099,435

Deferred revenue represents deferred revenue from recognition of assets transferred under Joint Operation Agreements.



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18 Share capital

	Number of shares Shares	Share capital Baht	Total Baht
As of August 17, 2004	-	-	-
Increase during the period	600,000,000	3,000,000,000	3,000,000,000
As of September 30, 2004	600,000,000	3,000,000,000	3,000,000,000
Increase during the period	87,099,210	435,496,050	435,496,050
As of December 31, 2004	687,099,210	3,435,496,050	3,435,496,050
As of December 31, 2005	687,099,210	3,435,496,050	3,435,496,050

MCOT has transformed to the public company limited under the State Enterprise Capital Act B.E. 2542. The initial registered share capital amounting to Baht 3,000 million, comprises 600 million ordinary shares at a par value of Baht 5 each. The remaining previous owner's equity could be appropriated as items under shareholders' equity as adequate in accordance with the resolution of the Company Establishment Preparation Committee and as approved by The Cabinet on July 20, 2004.

On August 17, 2004, MCOT was registered as a limited company. The former owner's equity amounting to Baht 4,126.34 million was transferred to the Company, of which Baht 3,000 million was appropriated as initial registered share capital, wholly owned by the Ministry of Finance, in accordance with the policy mentioned above. Another Baht 300 million was appropriated as legal reserve as detailed in Note 19. The remaining owner's equity was Baht 37 million being fair value reserve for changes in valuation of investment and Baht 1,163.34 million being unappropriated retained earnings.

On September 24, 2004, the Company has registered for an increase in share capital amounting to Baht 835 million, comprising 167,000,000 ordinary shares with the par value of Baht 5 each. The increased shares are for the purpose of initial public offering as follows:

During October 11 and 12, 2004, MCOT was allocated and subscribed 17,099,210 new ordinary shares to the Company's employees and executives at Baht 5 per shares (at par value). The proceeds from the subscription amounting to Baht 85,496,050 in total were fully paid.

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18 Share capital (continued)

In November 2004, MCOT has offered its ordinary shares in the initial public offering at Baht 22 per share. As above mentioned, 70 million shares were the newly issued share and 69 million shares were existing ordinary shares, comprise of 51 million existing shares owned by the Ministry of Finance and 18 million over - allotted shares. The proceeds from selling of existing ordinary shares were wholly belonged to the Ministry of Finance. And the proceeds from selling of 70 million newly issued shares, amounting to Baht 1,540 million in total were fully received by the Company, with the share premium of Baht 1,190 million and the deduction of the expenses incurred from the offering of Baht 81,956,827.

The Company's ordinary shares have been approved to be the listed securities in the Stock Exchange of Thailand on November 17, 2004.

19 Legal reserve

Changes in legal reserve are as follows:

For the year ended December 31, 2005	Consolidated Baht	Company Baht
Opening balance	307,927,433	307,927,433
Appropriation during the period	62,108,601	62,108,601
Closing balance	370,036,034	370,036,034
For the period beginning October 1, 2004 to December 31, 2004	Consolidated Baht	Company Baht
Opening balance	300,000,000	300,000,000
Appropriation during the period	7,927,433	7,927,433
Closing balance	307,927,433	307,927,433

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital.



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20 Segment information

i) **Primary reporting format - business segments**

Million Baht	Consolidated			Total
	Television Services	Radio Services	Joint Operations Arrangements	
For the year ended December 31, 2005				
Revenues				
Revenue from operation	2,202	555	606	3,363
Amortisation of deferred revenue	-	-	55	55
Total revenues	2,202	555	661	3,418
Operating expenses	(982)	(335)	(27)	(1,344)
Selling and administrative expenses	(204)	(62)	(15)	(281)
Segment results	1,016	158	619	1,793
Unallocated operating expenses				(10)
Unallocated selling and administrative expenses			(340)	
Operating profit				1,443
Other operating income and expenses - net				59
Interest expense				-
Income tax				(396)
Minority interest				(2)
Net profit				1,104
Segment assets	1,276	431	580	2,287
Unallocated assets				5,374
Total assets				7,661
Segment liabilities	525	189	57	771
Unallocated liabilities				660
Total liabilities				1,431
Other segment items				
Capital expenditure	369	20	-	389
Unallocated capital expenditure				35
Total capital expenditure				424
Depreciation	211	32	42	285
Unallocated depreciation				33
Total depreciation				318



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20 Segment information (continued)

i) Primary reporting format - business segments (continued)

Million Baht	Consolidated			Total
	Television Services	Radio Services	Joint Operations Arrangements	
For the period beginning October 1, 2004 to December 31, 2004				
Revenues				
Revenue from operation	517	119	176	812
Amortisation of deferred revenue	-	-	11	11
Total revenues	517	119	187	823
Operating expenses	(254)	(67)	(7)	(328)
Selling and administrative expenses	(92)	(24)	(4)	(120)
Segment results	171	28	176	375
Unallocated operating expenses				(4)
Unallocated selling and administrative expenses				(138)
Operating profit				233
Other operating income and expenses - net				17
Interest expense				-
Income tax				(90)
Minority interest				(2)
Net profit				158
Segment assets	934	338	523	1,795
Unallocated assets				6,354
Total assets				8,149
Segment liabilities	713	114	73	900
Unallocated liabilities				1,252
Total liabilities				2,152
Other segment items				
Capital expenditure	312	19	-	331
Unallocated capital expenditure				5
Total capital expenditure				336
Depreciation	44	7	11	62
Unallocated depreciation				8
Total depreciation				70



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20 Segment information (continued)

i) Primary reporting format - business segments (continued)

Million Baht	Company			Total
	Television Services	Radio Services	Joint Operations Arrangements	
For the year ended December 31, 2005				
Revenues				
Revenue from operation	2,172	555	606	3,333
Amortisation of deferred revenue	-	-	55	55
Total revenues	2,172	555	661	3,388
Operating expenses	(968)	(335)	(27)	(1,330)
Selling and administrative expenses	(191)	(62)	(15)	(268)
Segment results	1,013	158	619	1,790
Unallocated operating expenses				(10)
Unallocated selling and administrative expenses				(342)
Operating profit				1,438
Other operating income and expenses - net				60
Interest expense				-
Income tax				(394)
Minority interest				-
Net profit				1,104
Segment assets	1,267	431	580	2,278
Unallocated assets				5,374
Total assets				7,652
Segment liabilities	523	189	57	769
Unallocated liabilities				660
Total liabilities				1,429
Other segment items				
Capital expenditure	368	20	-	388
Unallocated capital expenditure				35
Total capital expenditure				423
Depreciation	210	32	42	284
Unallocated depreciation				33
Total depreciation				317



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20 Segment information (continued)

i) Primary reporting format - business segments (continued)

Million Baht	Company			Total
	Television Services	Radio Services	Joint Operations Arrangements	
For the period beginning October 1, 2004 to December 31, 2004				
Revenues				
Revenue from operation	514	119	176	809
Amortisation of deferred revenue	-	-	11	11
Total revenues	514	119	187	820
Operating expenses	(251)	(67)	(7)	(325)
Selling and administrative expenses	(94)	(24)	(4)	(122)
Segment results	169	28	176	373
Unallocated operating expenses				(4)
Unallocated selling and administrative expenses				(139)
Operating profit				230
Other operating income and expenses - net				18
Interest expense				-
Income tax				(90)
Minority interest				-
Net profit				158
Segment assets	924	338	523	1,785
Unallocated assets				6,354
Total assets				8,139
Segment liabilities	708	114	73	895
Unallocated liabilities				1,252
Total liabilities				2,147
Other segment items				
Capital expenditure	312	19	-	331
Unallocated capital expenditure				5
Total capital expenditure				336
Depreciation	44	7	11	62
Unallocated depreciation				8
Total depreciation				70



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20 Segment information (continued)

i) Primary reporting format - business segments (continued)

MCOT is organised into three main business segments (i) television services (ii) radio services (iii) Joint Operations Agreements.

Television and radio services

Segment results are derived from advertising and airtime rental through television and radio. The direct costs of providing these services comprise mainly costs of programmes and film production costs, depreciation and amortisation.

Joint Operations Arrangements

Segment results are derived from the share of revenues under Joint Operation Agreements.

Segment assets mainly comprise property, plant and equipment used to generate television, radio and news revenues, and accounts receivable from joint operations. Segment liabilities primarily comprise trade accounts payable, and operating liabilities. Capital expenditure comprises additions to property, plant and equipment.

ii) Secondary reporting format - geographical segments

The Group companies operate only in Thailand. Therefore, no geographical segments are reported under the secondary reporting format.

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21 Revenues from television and radio broadcasting

Revenues from television and radio broadcasting comprise revenues from the following :

	Consolidated		Company	
	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht
Television services				
- Revenue from air time	239,126,426	54,091,450	239,126,426	54,091,450
- Revenue from advertising	1,521,929,066	302,991,593	1,492,110,041	302,991,593
- Revenue from projects	380,504,574	150,520,107	380,504,574	150,520,107
- Revenue from others	60,167,191	8,949,450	60,167,191	6,513,052
Total revenue from television services	2,201,727,257	516,552,600	2,171,908,232	514,116,202
Radio services				
- Revenue from air time	13,721,353	3,151,868	13,721,353	3,151,868
- Revenue from advertising	490,002,705	98,011,908	490,002,705	98,011,908
- Revenue from projects	44,717,699	16,866,426	44,717,699	16,866,426
- Revenue from others	6,224,818	1,181,302	6,224,818	1,181,302
Total revenue from radio services	554,666,575	119,211,504	554,666,575	119,211,504
Total revenues from television and radio broadcasting services	2,756,393,832	635,764,104	2,726,574,807	633,327,706



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22 Revenue from Joint Operation

Revenue from Joint Operation comprises the following:

	Consolidated		Company	
	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht
Revenue sharing from joint operation				
- BEC	110,255,000	16,346,250	110,255,000	16,346,250
- UBC	351,834,586	123,507,072	351,834,586	123,507,072
- UBCC	143,458,519	36,190,272	143,458,519	36,190,272
Total revenue sharing from joint operation	605,548,105	176,043,594	605,548,105	176,043,594
Amortisation of deferred revenue	54,741,960	11,099,435	54,741,960	11,099,435
Total revenue from joint operation	660,290,065	187,143,029	660,290,065	187,143,029

23 Other income

	Consolidated		Company	
	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht
Interest income	38,731,600	5,129,141	39,021,345	5,127,952
Income from penalty	2,712,683	8,099,483	2,688,183	8,099,483
Others	20,259,823	4,498,471	20,253,495	4,498,471
Total other income	61,704,106	17,727,095	61,963,023	17,725,906



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24 Operating profit

Certain items were included in calculation of revenue from operation, which can be classified as follow:

	Consolidated		Company	
	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht
Employee expenses	838,132,905	208,586,701	822,593,689	203,469,509
Depreciation of property, plant, and equipment (note 11)				
- Assets used in operations	275,679,019	59,027,957	274,407,528	58,710,041
- Assets under Joint Operation Agreements	42,414,696	11,099,435	42,414,696	11,099,435
Loss from diminution in value of general investments - non - marketable securities	-	9,507,075	-	9,507,075

25 Number of employees

The number of persons employed at the end of each period is as follow:

	Consolidated		Company	
	December 31, 2005 Baht	December 31, 2004 Baht	December 31, 2005 Baht	December 31, 2004 Baht
Full - time employees	1,109	1,132	1,058	1,084
Temporary staff	166	60	166	60
Total	1,275	1,192	1,224	1,144



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26 Employee benefits

Provident fund

MCOT established “The Registered Provident Fund of MCOT Public Company Limited” in accordance with the Provident Fund Act B.E. 2530. MCOT contributed Baht 112.66 million to the provident fund on the date of its establishment.

Under the plan, employees with less than 20 years’ service must contribute 9 percent of their basic salary and employees with more than 20 years’ service must contribute 10 percent. MCOT’s contributions are based on length of service as follow:

For employees with under 20 years’ service	9% of basic salary
For employees with over 20 years’ service	10% of basic salary

MCOT contributed Baht 36.9 million to this provident fund for the period beginning January 1, 2005 to December 31, 2005

Provision for retirement benefits

MCOT has estimated and recognised expenses and amounts due in respect of its liabilities for severance and retirement indemnities under the Thai Law that was applied for stated-owned entities.

MCOT accounts for these severance liabilities on an estimated basis using the following key assumptions:

Discount rate	7.5%
Expected return on plan assets	0%
Future salary increases	7.5%
Future pension increase	0%

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27 Related party transactions

Related parties represent individuals or enterprises having either direct or indirect control over MCOT, or having significant influence over financial and operating decisions. Furthermore, related parties also represent individuals or enterprises being under the same control or the same influence.

During the period, the group's transactions with related parties were carried out on commercial terms and conditions which are generally the same as with non-related parties and arise in the ordinary course of business or the conditions specified in the agreement.

The following material transactions were carried out with related parties :

i) Revenue from joint operation

	Consolidated		Company	
	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht
Revenue from joint operation				
BEC	110,255,000	16,346,250	110,255,000	16,346,250
UBC	351,834,586	123,507,072	351,834,586	123,507,072
UBCC	143,458,519	36,190,272	143,458,519	36,190,272
Total	605,548,105	176,043,594	605,548,105	176,043,594



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27 Related party transactions (continued)

ii) **Costs of television and radio broadcasting (continued)**

	Consolidated		Company	
	For the year	For the period	For the year	For the period
	ended	beginning	ended	beginning
	December 31,	October 1, 2004	December 31,	October 1, 2004
	2005	2004	2005	2004
	Baht	Baht	Baht	Baht
Revenue from joint services Panorama Worldwide Company Limited	-	-	22,370,212	6,288,950

iii) **Outstanding balances arising from sales / purchases of goods / services**

	Consolidated		Company	
	December 31,	December 31,	December 31,	December 31,
	2005	2004	2005	2004
	Baht	Baht	Baht	Baht
Trade payable Panorama Worldwide Company Limited	-	-	5,388,608	5,096,892

iv) **Short - term borrowing from related parties**

Short-term borrowing from the subsidiary's directors used as a working capital, and there the borrowing was interest free.

	Consolidated		Company	
	December 31,	December 31,	December 31,	December 31,
	2005	2004	2005	2004
	Baht	Baht	Baht	Baht
Opening balance	900,000	-	-	-
Additions (payments)	(900,000)	900,000	-	-
Closing balance	-	900,000	-	-



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v) **Remuneration to directors**

For the year ended December 31, 2005 remuneration of the directors approximated Baht 7,178,015. This represents meeting fees bonuses and car rental. There were no loans provided to directors or management.

28 Earnings per share

Earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares issued during the period.

	Consolidated		Company	
	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht	For the year ended December 31, 2005 Baht	For the period beginning October 1, 2004 to December 31, 2004 Baht
Net profit attributable to ordinary shareholders (Million Baht)	1,104	159	1,104	159
Weighted average number of ordinary shares in issue (Million Shares)	687	650	687	650
Earnings per share (Baht)	1.61	0.24	1.61	0.24

29 Financial instruments

The principal financial risks faced by the Group are interest rate, exchange rate and credit risks.

The objectives in using financial instruments are to reduce the uncertainty over future cash flows arising from movements in interest and exchange rates, and to manage the liquidity of the cash resources. The following strategies are employed to achieve these objectives.



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29 Financial instruments (continued)

Interest rate risk

The Group has cash at bank the value of which fluctuates depending on changes in market interest rates. However, the fluctuation in interest rate is not volatile and the related risk is acceptable to the management.

Currency risk

As at December 31, 2005 and December 31, 2004 the Group had no significant financial instruments in foreign currencies since most of MCOT's revenues and expenses were in Baht currency and there was no liability in foreign currency.

Credit risk

The Group had no significant concentrations of credit risk. Cash is placed with credible financial institutions.

Fair values of assets and financial liabilities

The carrying amounts of cash, trade accounts receivable, trade accounts payable, other receivables and payables approximate to their fair values.

Credit facilities

As at December 31, 2005 and December 31, 2004 the Group did not have any credit facilities with financial institutions.

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30 Commitments and contingencies

(i) Pending litigations

As at December 31, 2005 the MCOT Public Company Limited had five pending litigations that being in the Court Verdict.

(ii) Guarantees

As at December 31, 2005 and December 31, 2004 the Group had no contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it expects that material liabilities will arise.

(iii) Contingent liabilities from services and rental agreements

Contingent liabilities from services and rental agreements as at the balance sheet date but not recognised in the financial statements are as follow :

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Million Baht	Million Baht	Million Baht	Million Baht
Services and rental agreements				
Less than 1 year	45.96	40.50	42.71	37.22
1 - 5 years	31.06	45.84	27.89	39.44
Total	77.02	86.34	70.60	76.66



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30 Commitments and contingencies (continued)

(iv) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follow :

	Consolidated		Company	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Million Baht	Million Baht	Million Baht	Million Baht
Construction of office building	-	4.82	-	4.82
MCOT Complex	517.40	-	517.40	-
Additions of equipment	9.83	286.30	9.83	286.30
Total	527.23	291.12	527.23	291.12



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31 Shared revenue under Joint Operation Agreements

Under the Joint Operation Agreements as discussed in Note 1, the operators have to pay annual fees to MCOT based on fixed percentages of gross revenues or at the minimum fee as specified in each of the agreements, whichever is higher. Details of the shared revenues are as follow:

Services / Operators	Contractual term/Expiration period	Percentage of gross revenues	Shared revenues	
			Minimum fee per annum	
(i) Color television transmission The Bangkok Entertainment Company Limited (“BEC”)	42 years Mar 2020	-	<u>Period</u>	<u>Million Baht</u>
			Before 2001	418.33
			2001	49.40
			2002	54.47
			2003	59.79
			2004	65.39
			2005	110.26
			2006	129.42
			2007	135.91
			2008	142.70
			2009	149.83
			2010	157.32
			2011	165.18
			2012	173.44
			2013	182.12
			2014	191.23
			2015	200.79
			2016	210.83
			2017	221.37
			2018	232.44
2019	244.06			
2020	61.75			
			The sum of the minimum fee over the agreement period is Baht 3,356.03 million.	



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31 Shared revenue under Joint Operation Agreements (continued)

Services / Operators	Contractual term/Expiration period	Shared revenues																	
		Percentage of gross revenues	Minimum fee per annum																
			If the consumer price index (inflation) increases during the contractual term by more than 5 percent, BEC allows MCOT to use that rate as the basis for the calculation of a new annual fee based on the previous year's fee. Nevertheless, if the consumer price index is higher than 10%, MCOT shall use 10% as the basis for calculation, and shall use the new annual fee as a basis for calculation the following year with an increase of 5% per year.																
(ii) Pay television services																			
United Broadcasting Corporation Public Company Limited (“UBC”)	20 years Sep 2014	6.5 Before Oct 94	<table border="1"> <thead> <tr> <th>Period</th> <th>Million Baht</th> </tr> </thead> <tbody> <tr> <td>10.44</td> <td></td> </tr> <tr> <td>Oct 94 - Sep 95</td> <td>10.00</td> </tr> <tr> <td>Oct 95 - Sep 96</td> <td>10.00</td> </tr> <tr> <td>Oct 96 - Sep 01</td> <td>15.00</td> </tr> <tr> <td>Oct 01 - Sep 06</td> <td>20.00</td> </tr> <tr> <td>Oct 06 - Sep 11</td> <td>25.00</td> </tr> <tr> <td>Oct 11 - Sep 14</td> <td>30.00</td> </tr> </tbody> </table> <p>The sum of the minimum fee over the agreement period is Baht 420.44 million.</p>	Period	Million Baht	10.44		Oct 94 - Sep 95	10.00	Oct 95 - Sep 96	10.00	Oct 96 - Sep 01	15.00	Oct 01 - Sep 06	20.00	Oct 06 - Sep 11	25.00	Oct 11 - Sep 14	30.00
Period	Million Baht																		
10.44																			
Oct 94 - Sep 95	10.00																		
Oct 95 - Sep 96	10.00																		
Oct 96 - Sep 01	15.00																		
Oct 01 - Sep 06	20.00																		
Oct 06 - Sep 11	25.00																		
Oct 11 - Sep 14	30.00																		



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31 Shared revenue under Joint Operation Agreements (continued)

Services / Operators	Contractual term/Expiration period	Percentage of gross revenues	Shared revenues	
			Minimum fee per annum	
UBC Cable Network Company Limited (“UBCC”)	25 years Dec 2019	6.5	<u>Period</u>	<u>Million Baht</u>
			1995 - 96	10.00
			1997 - 2001	15.00
			2002 - 06	20.00
			2007 - 11	25.00
			2012 - 16	30.00
			2017 - 19	35.00
		The sum of the minimum fee over the agreement period is Baht 575.00 million.		
World Cable Network Public Company Limited (“WCN”)	25 years Dec 2021	6.5	<u>Period</u>	<u>Million Baht</u>
			1996	10.00
			1997 - 2001	15.00
			2002 - 06	20.00
			2007 - 11	25.00
			2012 - 16	30.00
			2017 - 21	35.00
		The sum of the minimum fee over the agreement period is Baht 635.00 million.		
Cellular Vision (Thailand) Public Company Limited (“CVT”)	25 years Dec 2021	6.5	<u>Period</u>	<u>Million Baht</u>
			1997 - 2001	15.00
			2002 - 06	20.00
			2007 - 11	25.00
			2012 - 16	30.00
			2017 - 21	35.00



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31 Shared revenues under concession agreements (continued)

Services / Operators	Contractual term/Expiration period	Percentage of gross revenues	Shared revenues	
			Minimum fee per annum	
Thai Sky Cable TV Public Company Limited (“Thai Sky”)	25 years Dec 2016	-	<u>Period</u>	<u>Million Baht</u>
			1995 - 96	10.00
			1997 - 2001	15.00
			2002 - 06	20.00
			2007 - 11	25.00
			2012 - 16	30.00
			Revenue from broadcasting shall be included in the calculation of fee income at the amount of Baht 39,750,000, and can be categorised as follows :	
			<u>Period</u>	<u>Million Baht</u>
			1996	0.75
			1997 - 99	1.00
2000 - 04	1.50			
2005 - 09	2.00			
2010 - 14	2.50			
2015 - 16	3.00			
The sum of the minimum fee over the agreement period is Baht 509.75 million.				
(iii) Radio broadcasting services Bangkok Entertainment Company Limited (“BEC”)	30 years Jan 2020	-	Under the Joint Operation Agreement, BEC is to pay airtime rental fee and other monthly expenses to MCOT of Baht 300,000 per month, commencing February 1996, and the amount will increase at the rate of 10 percent annually until the agreement ends in January 2020.	



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31 Shared revenues under concession agreements (continued)

Services / Operators	Contractual term/Expiration period	Percentage of gross revenues	Shared revenues	
			Minimum fee per annum	
(iv) News information services				
R.B.D.S. (Thailand) Company Limited	25 years Dec 2022	7.0	<u>Period</u>	<u>Million Baht</u>
			1998 - 2002	1.00
			2003 - 07	2.00
			2008 - 12	3.00
			2013 - 17	4.00
			2018 - 22	5.00
The sum of the minimum fee over the agreement period is Baht 75.00 million.				

32 Dividend Pay

On January 14, 2005, the Ordinary Shareholders Meeting approved a dividend of Baht 0.50 per share, totaling 344 million Baht. The Company has already paid out the dividend on January 25, 2005.

On April 26, 2005, the Ordinary Shareholders Meeting approved a dividend of Baht 0.09 per share, totaling 62 million Baht. The Company has already paid out the dividend on May 12, 2005.

On August 29, 2005, the Broad of MCOT Meeting approved a dividend of Baht 0.75 per share, totaling 515 million Baht. The Company has already paid out the dividend on September 27, 2005.



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MCOT PUBLIC COMPANY LIMITED

MCOT Provincial Radio Stations

No. 1	23, Chiang Mai Orchid Hotel Thanon Huay Kaew Tambon Suthep, Amphoe Muang Chiang Mai Province 50200 Tel. 053-357062	No. 14	208 Doi Khao Kaew Moo 2 Tambon Doo Tai, Amphoe Muang Nan Province 55000 Tel. 054-710848
No. 2	416 Moo 6 Thanon Fung Min-Nong Bua Daeng Tambon Rim Kok, Amphoe Muang Chiang Rai Province 57010 Tel. 053-600481	No. 15	28 Moo 2 Tambon Non Sung Amphoe Muang Udon Thani Province 41000 Tel. 042-207867
No. 3	7/30 Thanon Pratu Glong 2, Tambon Wiang, Amphoe Muang Phayao Province 56000 Tel. 054-484323	No. 16	436-436/1, Thanon Thepyothee Tambon Nai Muang, Amphoe Muang Ubon Ratchathani Province 34000 Tel. 045-264928
No. 4	63 Thanon Paang Lor Nikhom, Tambon Jong Kum, Amphoe Muang Mae Hong Son Province 58000 Tel. 053-613700	No. 17	179 Moo 5 Thanon Si Sa Ket-Kantharaluk Tambon Sum, Amphoe Muang Si Sa Ket Province 33000 Tel. 045-633554
No. 5	104 Baan Grod Ngaam, Moo 5, Thanon Nakhon Sawan-Phitsanulok Tambon Baan Na Amphoe Wachira Baramee Pichit Province 66140 Tel. 056-692345	No. 18	9 Baan Kok Sai, Moo 14 Thanon Jaengsanit Tambon Nong Waeng, Amphoe Muang Roi Et Province 45000 Tel. 043-525020
No. 6	69 Nakhon Phrae Hotel, Thanon Ratdamnoen Tambon Nai Wiang, Amphoe Muang Phrae Province 54000 Tel. 054-625694	No. 19	103/23 Thanon Gudyang Samakkhi Tambon Kalasin, Amphoe Muang Kalasin Province 46000 Tel. 043-815311
No. 7	1 Khunnatham Building, Muang Lumphun Municipal Food Center, Thanon Lob Muang Nok Tambon Nai Muang, Amphoe Muang Lumphun Province 51000 Tel. 053-511889	No. 20	233 Phetkasem Department Store 2 nd Floor, Thanon Thessabaan 1 Tambon Nai Muang, Amphoe Muang Surin Province 32000 Tel. 044-512790
No. 8	22/4 Moo 1, Tambon Kung Ta Phao, Amphoe Muang, Uttaradit Province 53000 Tel. 055-412922	No. 21	199 Moo 4 Thanon Buri Ram-Huay Raat Tambon Huay Raat, Amphoe Huay Raat Buri Ram Province 31000 Tel. 044-696224
No. 9	91 Moo 2 Tambon Yang Sai, Amphoe Muang Sukhothai Province 64000 Tel. 055-614747	No. 22	437 Baan Nong Song Hong Moo 11 Tambon Kai Bok Waan, Amphoe Muang Nong Khai Province 43100 Tel. 042-495100
No. 10	361/4 Moo 2, Thanon Bung Phra-Wat Lom Tambon Bung Phra, Amphoe Muang Phitsanulok Province 65000 Tel. 055-244695	No. 23	166 Moo 8, Thanon Mittraparp Tambon Baan Pho, Amphoe Muang Nakhon Ratchasima Province 30310 Tel. 044-288810
No. 11	143/2 Moo 6, Thanon Liang Muang Tambon Nong Pling, Amphoe Muang Kamphaeng Pet Province 62000 Tel. 055-713533	No. 24	168 Moobaan Rai Tham Moo 5 Thanon Loei Na Duang Tambon Na Arn, Amphoe Muang Loei Province 42000 Tel. 042-809009
No. 12	357/22-23, Thanon Boonyawaat (Chat Chai) Tambon Suan Dok, Amphoe Muang Lampang Province 52130 Tel. 054-325130	No. 25	128/69 Moobaan Kwan Nakhon Thanon Phinit Rangsan Tambon Nai Muang Nakhon Phanom Province 48000 Tel. 042-522821
No. 13	451/2-3, Thanon Mahadthai Bumrung, Tambon Rahaeng, Amphoe Muang Tak Province 63000 Tel. 055-512123	No. 26	82 Baan Phrom Nimit Moo 4 Tambon Khok Si, Amphoe Muang Khon Kaen Province 40000 Tel. 043-370166

- No. 27 238/9 Thanon Chaiyaphum-Baan Khwao
Tambon Nai Muang, Amphoe Muang
Chaiyaphum Province 36000 Tel. 044-816930
- No. 28 1096/38 Thanon Chalerm Phra Kiet Ror 9
Tambon Talaad, Amphoe Muang
Maha Sarakham Province 44000 Tel. 043-723331
- No. 29 109 Baan Dong Somboon Moo 10
Tambon Phang Khwang, Amphoe Muang
Sakon Nakhon Province 47000 Tel. 042-701789
- No. 30 36 Moo 5 Thanon Arunprasert
Tambon Nong Khoo, Amphoe Muang
Yashothon Province 35000 Tel. 045-773234
- No. 31 29 Moo 9 Tambon Tha Khaam
Amphoe Khai Bang Rajun Sing Buri Province 16150
Tel. 036-597554
- No. 32 20/4 Baan Laem Makhm Moo 2
Tambon Thub Ma, Amphoe Muang
Rayong Province 21000 Tel. 038-864414
- No. 33 172 Moo 8 Tambon Thung Nonsee
Amphoe Khao Saming Trat Province 23130
Tel. 039-598358
- No. 34 337 Moo 6, Soi Surao Ton Kabok
Thanon Sukhumvit, Tambon Na Krue
Amphoe Bang Lamung Chon Buri Province 20260
Tel. 038-412100
- No. 35 9 Moo 4 Thanon Sukhaphiban Tha Mai 3
Tambon Tha Mai, Amphoe Tha Maka
Kanchanaburi Province 71120
Tel. 034-649836
- No. 36 76/24 Moo 2 Thanon Rak Sak Chamool, Soi 15
Tambon Tha Chang, Amphoe Muang
Chanthaburi Province 22000 Tel. 039-471446
- No. 37 81 Moo 5 Tambon Haad Thanong
Amphoe Muang Uthai Thani Province 61000
Tel. 056-524938
- No. 38 23/1 Thanon Nong Khaam Tambon Koh Lak,
Amphoe Muang Prachuap Khiri Khan Province 77000
Tel. 032-611982
- No. 39 73 Moo 9 Tambon Taak Daed, Amphoe Muang
Chumphon Province 86190
Tel. 077-534534
- No. 40 63/2 Moo 3 Thanon Phor Khun Thalay
Tambon Makhm Tia, Amphoe Muang
Surat Thani Province 84000 Tel. 077-405447
- No. 41 999 K.R. Mansion Moo 3 Thanon Phetkasem
Tambon Bang Nawn, Amphoe Muang
Ranong Province 85000 Tel. 077-830222
- No. 42 198/1 Moo 4, Thanon Trang-Sikao
Tambon Bang Rak, Amphoe Muang
Trang Province 92000 Tel. 075-278012
- No. 43 39 Thanon Wongwanit Tambon Hat Yai,
Amphoe Hat Yai Songkhla Province 90110
Tel. 074-235669
- No. 44 65/15 Moo 1 Thanon Thep Kasatri
Tambon Koh Kaew, Amphoe Muang
Phuket Province 83000 Tel. 076-239497
- No. 45 261 Moo 7 Tambon Sai Thai
Amphoe Muang Krabi Province 81000
Tel. 075-623563
- No. 46 91/7 Moo 6 Tambon Na Phru Amphoe Phra Phrom
Nakhon Si Thammarat Province 80000
Tel. 075-378518
- No. 47 100/1 Moo 6 Thanon Rom Klao
Tambon Sateng Nok, Amphoe Muang
Yala Province 95000 Tel. 073-202100
- No. 48 84 Moo 8 Thanon Aphai Borirak
Tambon Khuan Maphrao Amphoe Muang
Phatthalung Province 93000 Tel. 074-615040
- No. 49 311/12-13 Moo 4 Thanon Phetkasem
Tambon Wang Takaw Amphoe Lang Suan
Chumphon Province 86110
Tel. 077-544457
- No. 50 43 Wang Mai Hotel, 2nd Floor
Thanon Satun Thani Tambon Phimaan,
Amphoe Muang Satun Province 91000
Tel. 074-721354
- No. 51 151/15-16 Thanon Suriya Pradit Tambon Bang Naak,
Amphoe Muang Narathiwat Province 96000
Tel. 073-521034
- No. 52 45/29-30 Moo 3 Thanon Phetkasem
Tambon Taak Dat, Amphoe Muang,
Pangnga Province 82000 Tel. 076-413600
- No. 53 297/134-135 Moo 4 Thanon Nong Jik
Tambon Rusamilae, Amphoe Muang
Pattani Province 94000 Tel. 073-333159
- No. 54 63/1 Thanon Phra Ram 9
Khwaeng Huay Kwang Khet Huay Kwang
Bangkok Province 10310 Tel. 0-2201-6000



MCOT PUBLIC COMPANY LIMITED

63/1 Rama IX Road, Khwaeng Huay Kwang, Khet Huay Kwang, Bangkok 10310

Tel: 0 2201 6000

www.mcot.net

