



Annual Report 2016

Demeter Corporation Public Company Limited

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Note "Investors can find further information regarding the Company from the Annual Registration Statement (Form 56-1) which has been disclosed at www.sec.or.th or www.demetercorporation.com"

Message from the Chairman

To: The Shareholders of Demeter Corporation Public Company Limited

Demeter Corporation Public Company Limited intends to engage in a sustainable energy business. Last year, the Company has considered a renewable energy business and involved in the various enterprises to utilize energy efficiently. By planning and procuring to not wasted and make the most efficient use of energy, the Company has executives, who have vision and great experience in energy business as well as professional team. In the management view, the management team has a goal to create a thriving business growth along with the commitment to have sustainable development by finding new business expansion opportunities. During the last year, the Company has entered into negotiations to acquire shares in **Aukkarawat Plant Renewable Energies Co., Ltd.** and planned for the improvement of the power plant to be equipped for electricity production under Power Purchase Agreement No. VSPP-PEA-006/2552 between Aukkarawat and Provincial Electricity Authority dated May 19, 2009 (as amended) with a capacity of 4.9 megawatts to be completed within this year. For energy management, the Company has managed energy saving projects for public and private sectors.

In the future, the Company is looking for opportunities to engage in business negotiation and joint investment in energy business both in ASEAN and in other countries. The Company will comply with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Regarding social and community responsibility, the Company have continued the commitment to cooperate in activities that are beneficial to society along with continuing business operations under the ethical principles and good corporate governance.

On behalf of the Board of Directors, I would like to sincerely thank all shareholders, business partners, financial institutions, related government agency, suppliers, and customers, the management and staff of the Company, who have dedicated their hard work for the Company to move forward. I hope you to believe that the Company has well prepared for moving forward on the Company's business expansion in terms of strategy, personnel and resources. The Company will continue our commitment to operating under ethical principles and guidelines of good corporate governance, coupled with a commitment to society, community and environment. In addition, we sincerely wish that the Company will grow and progress sustainably and create best interests to shareholders as good as your trust giving to the Company.

Yours Sincerely,

Suthep Liumsirijarearn

(Mr. Suthep Liumsirijarearn)

Chairman of the Board of Directors

Part 1

Business Operation

1. Policy and Overall Business Operation

1.1 Vision Objective Goal or Business Strategy

Demeter Corporation Public Company Limited (DCORP) is a public company registered in the Stock Exchange of Thailand. The major business operations include media, renewable energy and information technology.

For more efficient operation, the company has changed its image and restructured the organization and managed by the management team who has expertise and experience on each business of the company.

The company has well prepared on business strategy, personnel and resources for the business expansion and committed to operate its business under ethical principles and good governance together with corporate social responsibility and to create the stability and sustainability to the company and its shareholders.

With respect to its vision, apart from media which is originally its core business, the company sets a goal to penetrate and become fully engaging in energy business, viewing that electricity is a basic infrastructure with increased demand every year. The company has the strategy to invest mainly in alternative energy business. Last year, it signed an agreement with the investor in Philippines for conducting a due diligence of investment in a solar power plant in Philippines, and invested a total of up to Baht 290 million in the biogas power plant project in Suphanburi province that is operated by Aukkrarawat Plants Renewable Energies Co., Ltd. ("Akkrawat"), which has the production capacity of up to 4.9 megawatt. The company targets to engage in alternative energy business of all types onshore and offshore, aiming at sustainable ones which give high return and cause no impact to the environment so as to create solid and sustainable benefits to itself and its shareholders. To achieve that goal, the company will ensure all relevant studies are in place to prepare for and support future expansion of investment in the alternative energy business.

1.2 The Company's History and Key Development

Demeter Corporation Public Company Limited formerly Asia Joint Panorama Public Company Limited registered to be a limited company on June 29, 1978 named Aow Kham Thai Company Limited in order to conduct the business of tin mine business in the sea and renting out tin digging ship. Later on July 9, 2009, the company registered in the Stock Exchange of Thailand. Currently, the Company has been operating media business having 16 satellite TV channels. The company's policy is to reduce the satellite TV business by terminating the unprofitable channels. On October 31, 2015, the company terminated 8 satellite TV channels with M.V. Television (Thailand) Co., Ltd. However, the company has focused in ICT business and energy business to replace the 8 satellite TV that was terminated. Demeter ICT Company Limited is incorporated on February 9, 2015 and its business objective is to provide information technology services, electronic commerce and digital marketing. On October 9, 2015, the company invested in energy business by holding 25 percent of registered

capital of Winchai Co., Ltd., who is the provider of electricity generated from wind energy. The company has the significant changes as follows.

| | |
|--------------------|---|
| 1993 to 1997 | The company faced the loss from tin mine business continuously because the tin price was low around the world. This made the company to stop the tin business in the year 1994 temporarily. Later in the year 1997, the company had started the industrial rock manufacturing at Muak Lek district, Saraburi by sub-leasing 4 mine concessions from Sayam Hin Pradub Co., Ltd. and later the company name was changed to "Sino-Thai Resources Development Public Co., Ltd." in order to be consistent with the operating business. In the same year, the company had been notified from the Stock Exchange on being possible to be delisted due to stopping the business and no major business operation within the specific period. The stock was SP and moved to REHABCO ((Companies under Rehabilitation) which is the registered category under the revision process). |
| 1999 to 2003 | In the year 1999, the company had made rehabilitation plan by specifying the plan for 5 years in order to resolve the cause of the share of the company to be considered withdrawn. In the year 2000, the Stock Exchange has changed the condition of allowing the share in the category REHABCO to resume trade, which the company has qualification according to the said criteria and has been considered from the SET to be traded in the Stock Exchange again on March 6, 2000. In the year 2003, the company proceeded the debt restructuring successfully (100% of the total debt of the company) which made the company to have profit from the debt repayment in the amount of Baht 87.90 million and to have profit from the debt restructuring in the amount of Baht 108.6 million. |
| 2004 to 2006 | <p>In the year 2004, the company had changed the major shareholder structure from Stacon AMC Co., Ltd. to the group of Khun Suladda Asawapayookkul and had stopped the old business operation including tin mine business and industrial rock business. Then, the company had expanded to the business of fuel distribution. The company had operated the business of fuel trading (to be the fuel trader according to the section 10 of Fuel Oil Act, 2002) by selling to the independent fuel trader (Jobbers) inside the country.</p> <p>In the year 2005, the company had produced and sold product of lubricant in its own trademark and manufactured for others. The company had brought the asset of Apex Oil Co., Ltd. who operates the business of producing and selling lubricants used for engines and machines.</p> <p>In the year 2006, the company had increased bio-diesel oil and glycerin and stopped the business operation of selling lubricants because the lubricant business was highly competitive and could not make the profit to the company. In the same year, the SET closed the REHABCO and moved the security that qualified under SET to trade in the normal industrial category with the NC (Non-Compliance) symbol. As the company had the qualification according to the said criteria, the SET has allowed the stock of the company to be traded in the energy and utilities sector again.</p> |

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|-----------------------------|---|
| <p>2009 to 2010</p> | <p>In the year 2009, the SET had set the symbol SP and had withdrawn the security of the company from the stock trading board and moved the security to the NPG group since June 4, 2009 because the annual financial result for the year 2008 after the adjustment entries of the company was loss in the amount of Baht 1.87 million. As a result, the company appointed sub-committee to conduct the restructuring plan of the company and set up the direction for the company:</p> <p>(1) To stop the energy business (2) To sell investment, assets, liabilities (3) To bring new business that could be the major business of the company</p> <p>In the year 2010, the company had changed the major shareholder structure from the group of Khun Suladda Asawapayukkul to the group of Khun Amareut Klomchitcharoen and Khun Pipat Ratchakitprakarn.</p> <p>On April 21, 2010, the company had stopped the business of selling fuel oil because the selling price had been controlled by the government policy which caused the low profit. Then the company has changed its business to the satellite television business by receiving the co-production rights from M.V. Television (Thailand) Co., Ltd. for 8 satellite television channels for the period of 10 years (from December 1, 2010 to November 30, 2020).</p> |
| <p>2011 to 2012</p> | <p>The company had increased the business operation on radio broadcasting by receiving the right to operate radio program with A.C. Records Co., Ltd. by being the reseller of advertising and airtime through the radio station of Thailand (FM97.00 MHz) starting from August 1, 2011 to May 31, 2012. The company had stopped the business of radio media since June 1, 2012 because the operating result was not as expectation. The company has maintained only satellite television business and changed the company's name from Sino-Thai Resources Development Public Co., Ltd. (STRD) to Asia Joint Panorama Public Co., Ltd. (AJP) on December 6, 2012. The changes of company's name and symbol of stock on the SET system is effective on December 13, 2012.</p> |
| <p>2013</p> | <p>On April 11, 2013, the General Shareholder's Meeting No. 1/2013 approved the additional investment in the satellite television business. On June 8, 2013, the company entered into the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for another 8 channels for the period of 10 years to be totaling of 16 channels (please see the details on no. 2.2). On June 4, 2013, the company submitted an application for the license of broadcasting or television business to provide the services of broadcasting network or television that was not using the national frequency level to the NBTC. The company has received the license on August 13, 2013.</p> <p>On September 11, 2013, the company is allowed from mai to be released from the cause of withdrawal and traded as "AJP" in mai.</p> |
| <p>2014</p> | <p>On April 28, 2014, the Annual General Meeting Shareholders No. 1/2014 approved the company's capital increase and the allocation of warrants for newly issued shares no. 1 (AJP-W1) in the amount of 100,000,000 units to the existing shareholders in proportion to their shareholding ("Rights Offering") at</p> |

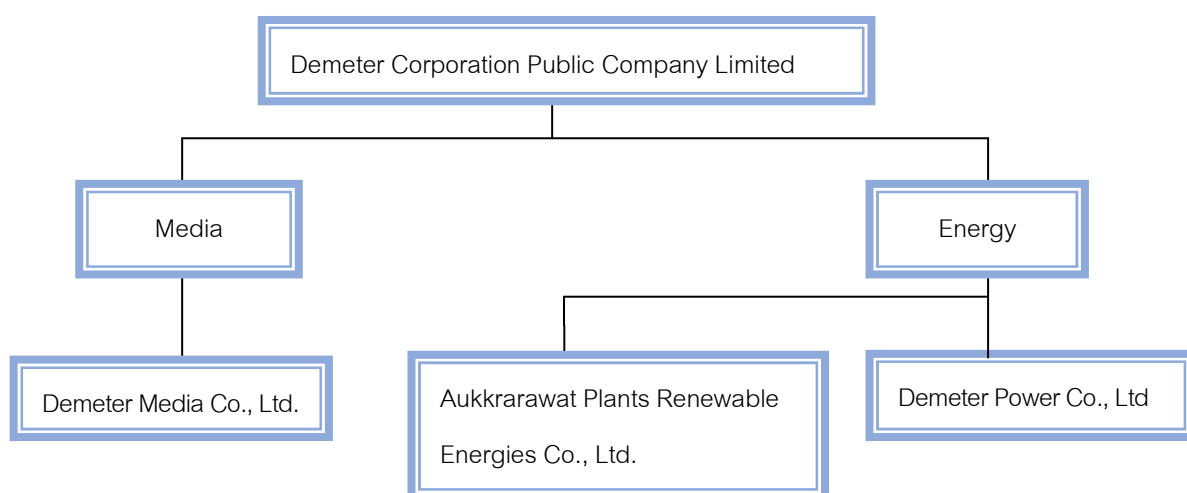
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| | <p>the ratio of one warrant unit for every two existing DCORP shares with no charge, with the conversion ratio to buy a share of 1:1 and the warrant price of Baht 3 per share.</p> <p>On November 26, 2014, the Extraordinary General Meeting of Shareholders No. 2/2014 approved the capital increase of the ordinary shares by issuing to shareholders of U Best Point Media Co., Ltd. in the amount of 5,625,000 shares, to Media Agency Thai Co., Ltd. in the amount of 46,150,000 shares, and to Mr. Thana Benchathikul in the amount of 12,000,000 shares at the offering price of Baht 8 per share, together with 28,000,000 capital increase shares due to the adjustment of exercise price and ratio required in the case of newly issued shares offered at a low price. The said meeting also resolved to change the warrant exercise price and ratio to be in line with the capital increase and maintain warrant value not to be devalued throughout its valid tenor. The new exercise ratio was one warrant unit for every 1.27 ordinary shares, and the new exercise price was Baht 2.36 per share. As a result, the ordinary shares of the company changed from 200,000,000 shares to 291,775,000 shares. The company had unpaid registered shares of Baht 100,000,000, which was reserved for warrant certificate to purchase the ordinary shares of the company. After capital increase, total registered capital of the company was Baht 391,775,000.</p> |
| 2015 | <p>On January 21, 2015, the Board of Directors' Meeting passed the resolution to set up 2 subsidiaries as follows:</p> <ol style="list-style-type: none"> 1. AJP Information Technology Limited or AJPIT, which has the registered capital of Baht 10,000,000, divided into 1,000,000 shares, with the par value of Baht 10 per share. The main objective is to engage in the business of information technology and related business. The company will hold 999,998 shares, equivalent to 99.99 percent of the total shares of AJPIT. 2. AJP Power Ltd or AJPP, which has the registered capital of Baht 10,000,000, divided into 1,000,000 shares, with the par value of Baht 10 per share. The main objective is to engage in the energy business and related business. The Company will hold 999,998 shares, equivalent to 99.99 percent of the total shares of AJPP. <p>Both companies have completed the registration on February 9, 2015.</p> <p>On February 5, 2015, according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2014, held on November 26, 2014, the company allocated capital increase shares to U Best Point Media Co. Ltd. in the amount of 5,625,000 shares, to Media Agency Thai Co., Ltd in the amount of 46,150,000 shares, and to Mr. Thana Benchathikul in the amount of 12,000,000 shares at the offering price of Baht 8 per share. Moreover, the company increased one more channel to produce the television program under U Best Point Media Co., Ltd. in which the company holds 100 percent. In addition, the company received the right to manage the advertisement time through 5 television</p> |

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| | <p>channels from Media Agency Thai Co., Ltd.</p> <p>On February 19, 2015, the Extraordinary General Meeting of Shareholders No. 2/2015 approved the allocation of new 263,775,000 ordinary shares with the par value of Baht 1 per share to the existing shareholders in proportion to their shareholding ("Rights Offering") at the ratio of 1 new share for every 1 existing share and the offering price of Baht 6 per share, leading to an increase of registered capital from Baht 391,775,000 to Baht 655,550,000.</p> <p>On May 14, 2015, the Annual General Meeting of Shareholders No. 1/2015 (as postponed) approved the decrease of the company's registered capital by Baht 97,062,354, from Baht 655,550,000 to Baht 558,487,646 by cancelling the company's unsold capital shares of 97,062,354 with the par value of Baht 1 per share. The meeting also approved the increase in the company's registered capital by Baht 32,059,924, from Baht 558,487,646 to Baht 590,547,570, via an issuance of 32,059,924 new ordinary shares with the par value of Baht 1 to accommodate the adjustment of exercise price and ratio for AJP-W1.</p> <p>On August 3, 2015, the Extraordinary General Meeting of Shareholders No. 3/2015 approved the change of the company's name to be Demeter Corporation Public Company Limited (DCORP). The company completed the registration on August 7, 2015.</p> <p>On August 26, 2015, the company signed an agreement for early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels to be effective on October 31, 2015.</p> <p>On October 8, 2015, the Board of Directors' Meeting No.11/2015 passed the resolution as follows:</p> <ol style="list-style-type: none"> 1. Approved the receiving of the right to manage the advertisement time during the broadcasting of the PGA European Tour, with the total value of Baht 254.79 million, from Media Agency Thai Co., Ltd. ("MAT") without remuneration. 2. Approved the purchase of the ordinary shares of Winchai Co., Ltd. ("WIND"), which operates the electricity business from K-Shipping Co., Ltd. in the amount of 12,500 shares, equivalent to 25 percent of the registered capital of WIND, at the purchase price of Baht 13,700 per share, totaling value of Baht 171,250,000. 3. Approved the incorporation of the subsidiary of the company for engaging in the Nano-Finance business. This subsidiary shall have the registered capital of Baht 50,000,000, divided into 10,000,000 ordinary shares with the par value of Baht 5 per share. <p>On November 17, 2015, the company signed an agreement for early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the remaining 8 satellite television channels by gradual return of the channels.</p> |
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| | <p>On February 25, 2016, the company signed an agreement for early termination of the satellite television co-production agreement (cancellation of gradual return of the channels condition) with M.V. Television (Thailand) Co., Ltd. in order to terminate the remaining 8 channels within March 31, 2016.</p> |
| 2016 | <p>On February 25, 2016, the company signed an agreement for early termination of contract (cancellation of condition on gradual return of the TV channels) with M.V. Television (Thailand) Co., Ltd. in order to terminate the remaining eight channels by March 31, 2016.</p> <p>On February 26, 2016, the Board of Directors approved the selling of all 1,000,000 shares held by the company in Demeter ICT Co., Ltd., a subsidiary 99.99% owned by the company, with a par value and a book value as of December 31, 2015 of Baht 10 and Baht 6.15 per share respectively to Mr. Varanyu Suchivoraphanpong and Global ICT Co., Ltd. who were not related to the company at the price of Baht 8.10 per share, totaling Baht 8,101,970.11 or 99.99% of the total registered capital of Demeter ICT Co., Ltd.</p> <p>On April 29, 2016, the Annual General Meeting of Shareholders 2016 approved the co-investment with Hainan Yingli New Energy/Resources Co., Ltd. in manufacturing, distributing and exporting solar cell panels by investing in Lison, Yingli's subsidiary, through Demeter Power Co., Ltd. ("Demeter Power") which was its 99.99%-owned subsidiary. The total investment was Baht 413,691,000.</p> <p>On May 19, 2016, the company signed two agreements with the investor in Philippines for conducting a due diligence of the two companies incorporated and operating energy business in Philippines to support its decision to buy 40% of such two companies' shares. Share purchase agreement is currently pending, awaiting complete legal due diligence.</p> <p>On August 25, 2016, the Board of Directors of Demeter Corporation Public Company Limited ("company") No. 7/2016 approved the selling of all 25% shares in Winchai Co., Ltd. ("WIND") held by the company's subsidiary, i.e. Demeter Power Co., Ltd. Later on September 29, 2016, the company agreed to sell 25% ordinary shares in WIND to First Alpha Venture Co., Ltd., worth totaling Baht 215,000,000.</p> <p>The Board of Directors' meeting no. 7/2016 resolved to register the dissolution of Demeter Capital Co., Ltd., the company's subsidiary which had no investment and operating income. The said registration was made with the Department of Business Development, Commercial Department on September 14, 2016. It is now in the liquidation process.</p> |

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| | <p>On December 16, 2016, the Board of Directors' meeting no. 10/2016 approved the total investment of up to Baht 290 million in a biogas power plant project in Suphanburi province that is operated by Aukkrarawat Plants Renewable Energies Co., Ltd. ("Akkrawat")</p> <p>On December 28, 2016, the company signed an agreement with the existing shareholder of Akkrawat for an amendment to agreements under share purchase contract. The major change arose from Akkrawat's existing shareholder having changed shareholding structure. Hence, it would have Tanayatorn Power Plant Co., Ltd., whom earlier received transfer of partial Akkrawat shares from the existing shareholder, to further transfer shares to the company under the share purchase contract.</p> <p>On December 30, 2016, the company was transferred a first lot of 8,200 shares, or 16.40% of total shares in Akkrawat. The company has completely paid for the first lot in the total amount of Baht 36,078,245 to Tanayatorn Power Plant Co., Ltd.</p> |
|--|---|

1.3 Structure of the Company's Group



The investments in subsidiaries of the company include media business, energy business and ICT business. Also, the company has invested in the associate company engaging in the business of renewable energy as following details.

| Company | Business | Holding of Share Capital (%) | Shareholders and Number of Shares Held |
|---|---|------------------------------|---|
| 1. Satellite TV business Demeter Media Co., Ltd. | The company holds the right to manage SEXY channel on satellite TV. | 99 | 1. Demeter Corporation Public Co., Ltd. 479,998 shares 2. Mr. Apichet Bhusry 1 share 3. Mr. Anit Osathanugrah 1 share |

| Company | Business | Holding of Share Capital (%) | Shareholders and Number of Shares Held |
|--|---|------------------------------|--|
| | | | Total 480,000 shares (Value: Baht 100 per share) |
| 2. Energy business Demeter Power Co., Ltd. | The company operates business related to the production of electricity from renewable energy. | 99 | 1. Demeter Corporation Public Co., Ltd. 8,499,998 shares 2. Mr. Apichet Bhusry 1 share 3. Mr. Anit Osathanugrah 1 share |
| | | | Total 8,500,000 shares (Value: Baht 10 per share) |
| 4. Aukkrarawat Plants Renewable Energies Co., Ltd. | The company operates a biogas power plant. | 16.40 ¹ | 1. Demeter Corporation Public Company Limited 8,200 shares 2. Tanayatorn Power Plant Co., Ltd. 16,800 shares 3. Mr. Tisanu Tanayatorn 17,500 shares 4. Mrs. Niya Tanayatorn 2,500 shares 5. Miss Pakanut Tanayatorn 2,500 shares 6. Mr. Tanapon Tanayatorn 2,500 shares |
| | | | Total 50,000 shares (Value: Baht 100 per share) |

1.4 Relationships of the Company and Major Shareholders

- None -

2. Characteristics of the Business Operation

The company has been operating the media business including:

2.1 Satellite television business.

2.2 Content business includes:

- EDGE Sport
- Eredivisie (Dutch League)

¹ Shares will be acquired in three times, first 8,200 shares or 16.40% of total Akkrawat shares by December 2016, second 8,619 shares or 17.24% by January 2017 and third 8,181 shares or 16.36% by July 2017, making a total of 25,000 shares or 50% of total shares in Akkrawat. On December 30, 2016, the company received a transfer of the first lot of 8,200 shares, representing 16.40% of total shares in Akkrawat, for which the company made a complete payment of totaling Baht 36,078,245 to Tanayatorn Power Plant Co., Ltd.

- Golf European

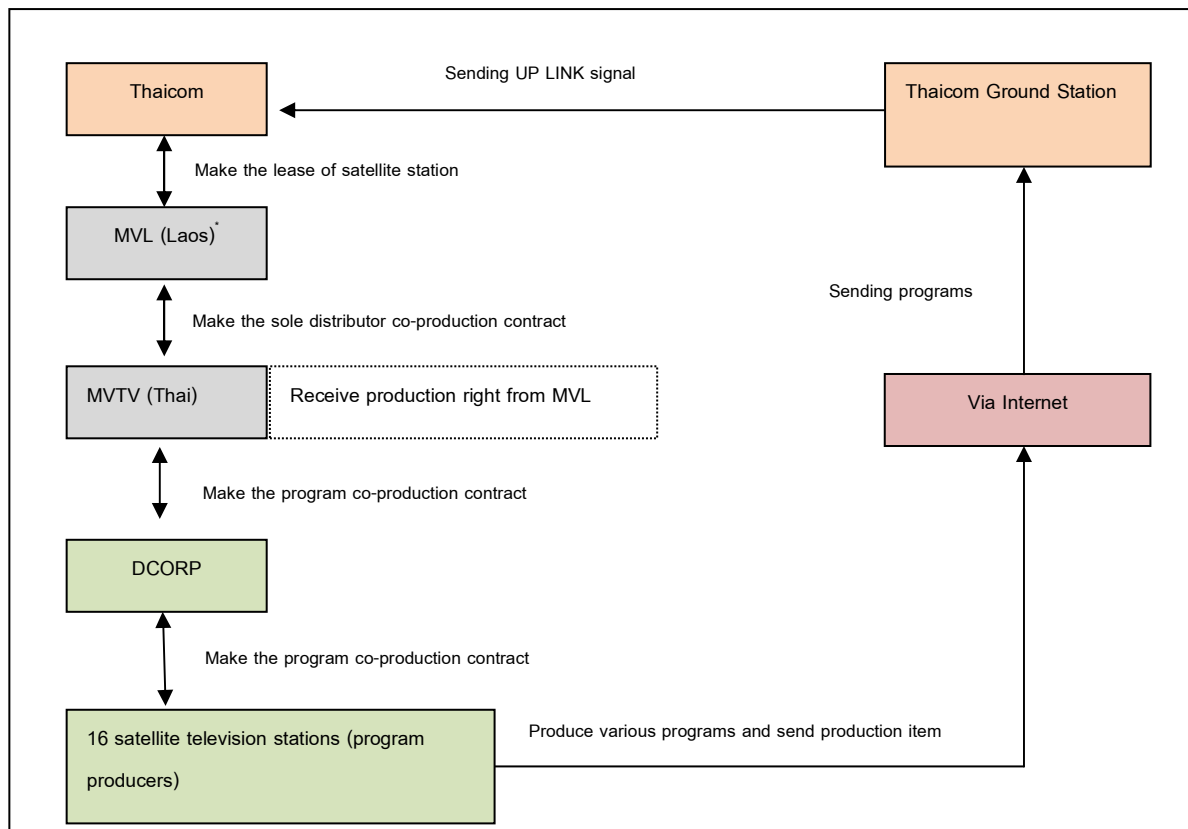
2.3 Movies and series

2.1 Satellite television business operation

From January 1, 2016 to March 31, 2016, the company has operated a satellite television business, granted the right to procure and/or produce satellite television program and/or making co-production agreement with satellite television producers for eight remaining stations under the co-production agreement with MV Television Thailand Co., Ltd. The company has allowed co-producers to produce television programs with the content that is not against the public order, tradition and good moral of people and must not be against the law and national security in order to air via satellite television. Meanwhile, only five satellite television licenses were used.

However, the satellite television business of the company must be according to the Broadcasting and Television Act and Frequency Allocation and Supervision of Radio, Television and Communication Organization Act under the supervision of the NBTC. On June 4, 2013, the company had submitted an application to receive the license of Radio or Television Business in order to provide the broadcasting or television network that does not use the national frequency. Later on August 22, 2013, the NBTC had notified the result of the request for the license of the company. The meeting of the NBTC No. 29/2556 on August 13, 2013 had the resolution for the company to receive the permission to conduct the radio or television business in order to provide the radio or television network for the business that does not use the frequency which has been in effect as of August 13, 2013 until August 12, 2028 (15 years).

Because MV Television Group by MV Television (Laos) Co., Ltd. had invested in the television business in People Republic of Laos by receiving concession in making satellite television from Lao government. The concession period is 30 years starting from 2004. Moreover, MV Television (Laos) Co., Ltd. had made satellite station contract with Thaicom Public Co., Ltd. (Thaicom 5). MV Television (Laos) had made an exclusive employment contract to MV Television (Thailand) Co., Ltd. to produce television program to MV Television (Laos) and after that in the year 2010, MV Television (Thailand) has given the right to the company in procuring and/or producing satellite television program and/or making co-production agreement with satellite television producers for 8 stations for the first time and 8 stations in the second time which is 16 stations from 42 stations that MV Television (Thailand) had in the year 2014. However, the 16 stations that the company had received the right in co-producing programs from MVTv, the company had chosen to give the co-production right to business operators who are all program producers which can be considered from the details plan of the satellite television business of the company.



Note : * MVL (Laos) is a registered company in People Republic of Laos.

However, the satellite television business of the company can be operated in 2 formats which are (1) satellite television production business (Production) and (2) reselling business (Resell). Initially, the company had considered the highest benefit to receive in conducting the business by finding income from providing reselling right with producers of satellite television for 5 stations.

Details and related people of satellite television business and local television cable

1. Owner of the products: Including producers of goods and service such as beverage producers or producers of consuming and using products including Unilever Co., Ltd., producer of soap, shampoo etc. In the past, the owner of products that needs to advertise its own product must usually use the advertising channel such as television media, radio or newspapers etc. However, today the advertising channel is more diverse such as Internet and satellite television etc. The company which owns the product would usually employ a company with knowledge and ability in doing the advertising plan and buying advertising media so that it would be consistent with the target by employing advertising agency company in planning and finding advertising so that the advertising would reach the target the most.

2. Advertising agency: Including product agency in making advertising to buy the advertising channel and plan the advertising. The advertising agency will plan the overall picture of the advertising via the advertising

and the characteristics of the news. The examples of the advertising agency are J. Walter Thompson and Ogilvy Co., Ltd. etc.

3. Content provider: Including program producers for satellite television such as soap opera producers, music producers or movie producer. The examples of the company providing content service are GMM Grammy Public Co., Ltd and RS Entertainment Public Co., Ltd. etc. Most of content provider would sell their own content to satellite television producer used in airing.

4. Satellite television program producer: Including television program producers to broadcast via satellite. Satellite television program producer can compare the owner of the free TV station such as channel 3, channel 5, channel 7, channel 9 etc. However, satellite television is different from general free television because satellite deletion in each channel will have its own clear way and does not separate the programs like free television such as the group of NEXT Platform including NEXT Series, Movie, Music and Yesterday which are complete entertainment programs such as movie, music, series (produced by MIC), HIT 66 will be 24-hour variety (produced by 94 Entertainment Co., Ltd.)

5. Cable service provider: Including provider of cable which sends general Internet signal because satellite television producer must send data (picture and sound signal) that have been produced at the land station before uplink to the example satellite. The example of the cable service provider is 3BB and Symphony Public Co., Ltd. etc.

6. Land station: Including land station with the duty to uplink data information to the satellite data. Normally, the land station would be part of the company-provided satellite service.

7. Satellite service provider: Including satellite service provider in communicating, sending television signal or radio signal. An example of the company that provides satellite service is Thaicom Public Company Limited.

8. Satellite signal station lease provider: Including satellite signal service provider which normally the satellite service provider will provide satellite signal station. An example of the satellite signal station lease provider is Demeter Corporation Public Company Limited.

9. The satellite installation service provider: Including the company providing the satellite installation with the consumers. The example of a satellite installation service provider is PSI Co., Ltd.

10. Consumers: General people

Contractor of the Company

(1) Details of the five stations that the company entered into the co-production contract with co-producer are as follows.

| No. | Station | License No. and Valid Period | Program | Contract Parties | Note |
|-----|--------------|--|---------|--|------|
| 1 | N-EXT Movies | B1-S21040-0098-57 4 Aug 15 - 3 Aug 17 | Movies | MIC Broadcast Co., Ltd. and the company | - |

| No. | Station | License No. and Valid Period | Program | Contract Parties | Note |
|-----|--------------|--|---------|--|------|
| 2 | N-EXT Series | B1-S21040-0104-57 4 Aug 15 – 3 Aug 17 | Music | MIC Broadcast Co., Ltd. and the company | - |
| 3 | N-EXT Wanwan | B1-S21040-0115-57 25 Aug 15 -24 Aug 17 | Movies | MIC Broadcast Co., Ltd. and the company | - |
| 4 | N-EXT Music | B1-S21040-0113-57 25 Aug 15 – 24 Aug 17 | Variety | MIC Broadcast Co., Ltd. and the company | - |
| 5 | LIFE TV | B1-S21040-0132-57 22 Sep 15 - 21 Sep 17 | Variety | First Group Co., Ltd. and P5 Co., Ltd. | - |

Notes

- For no. 3-5, the company signed a co-production contract with First Co., Ltd. on October 1, 2016, using all 3 television licenses for a period from October 1, 2016 to the license expiry date (except for license no. B1-S21040-0115-57 that has starting period on November 1, 2016). The return after all expenses is 10% allocated to the company and 90% to First Co., Ltd.
- For no. 1, 2 and 5, the company requested to cancel them with the NBTC due to no longer airing on those channels.

Details of the Contract

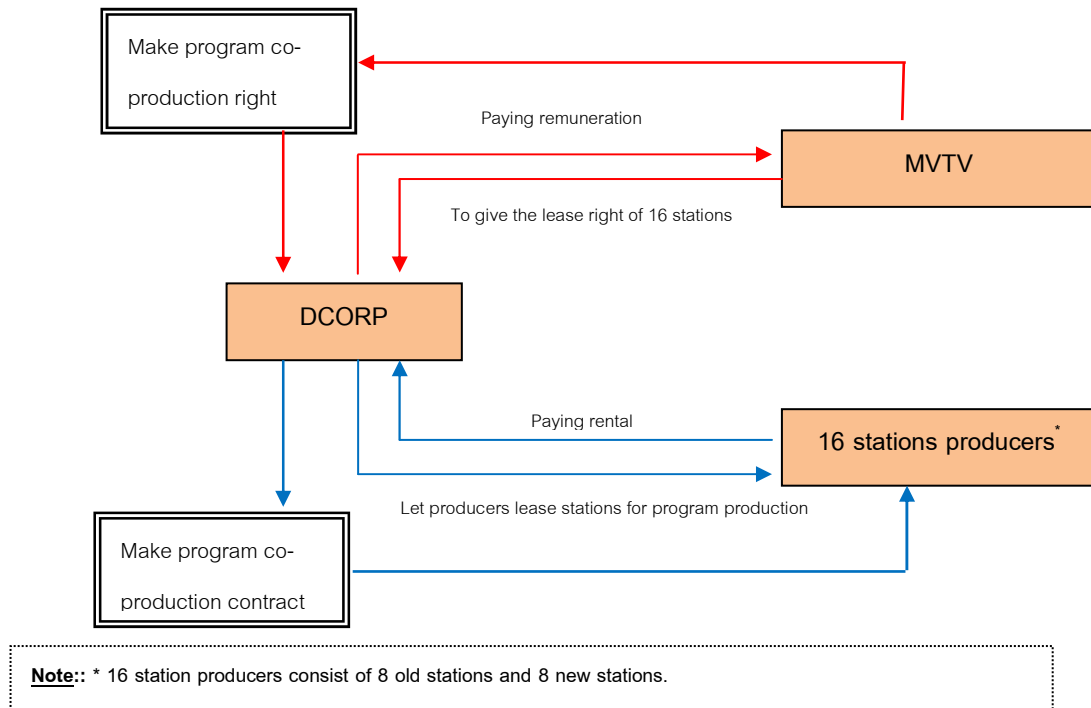
1. Program co-production right contract between the company and MV Television (Thailand) Co., Ltd.

MV Television (Thailand) Co., Ltd. ("the right giver") has given the right to the company ("the right receiver") in procuring and/producing television programs and/or making co-production contract with television program co-producers, as of March 31, 2016, for 5 stations, and the company has received the right or to let television program producer to use the trademark of the right giver under MVTV trademark.

2. Program co-production contract between the company and 5 program co-producers

The company ("license giver") has allowed co-producers to produce television programs with the content that is not against the public order, tradition and good moral of people and must not be against the law and national security in order to air via satellite television. The name of the programs and program characteristics and the time period of each contract or stations (please see the section 2.2) with the content of 54 minutes and can provide the advertisement for 6 minutes per 1 hour of television programs (the advertising period might be changed according to the law). In the case that program co-producers cannot operate until end of the contract term, the program co-producers agrees that the licensor receives the payment from guaranteed check which is equivalent to monthly rental for 1-3 months (difference according to each contract made with each program co-producers. However, this is according to the condition in the original contract that each co-producer has signed with MVTV) and can confiscate all guarantees according to the contract. The licensor is entitled to receive the compensation from any damage with fine in the rate of 2% per month starting from the day that the licensor has received damage until the co-producer would fully pay it.

Contract Structure Plan of Related People:



3. The Broadcasting Right Purchase Agreement between company and Media Agency Thai Co., Ltd. (MAT)

MAT has been operating in business of managing the broadcasting time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time, advertising products and services, broadcasting and procuring program co-producers.

Since cable TV business is very sluggish impacted from the law, MAT, which is the TV channel operator, is unable to meet its operation plan. As a result, the company as the right owner to manage the advertising time could not sell advertising time and MAT defaulted the debt payment from minimum guarantee income with the Company. Therefore, on October 10, 2015, the company has agreed the significant terms of a new contract as follows.

The company has agreed to receive the right to manage the advertising time of the broadcasting of the Golf PGA, European Tour with the total value of Baht 254.79 million from MAT. This is the additional right from the right to manage the broadcasting time of satellite TV according to the Broadcasting Right Purchase Agreement (BPA) dated January 30, 2015 since MAT could not fulfil the BPA terms. .

On November 11, 2015, the company and MAT entered into the Debt Restructuring Agreement, which the total debt is Baht 93.54 million resulted from the guarantee income according to BPA. MAT agreed to pay the outstanding amount of Baht 93.54 million by dividing into 36 installments, Baht 2,679,328.20 per period (included 2% interest rate per annum). The first payment is on the last working day of December 2015 and the next payment is on the last working day of the next month.

In addition, MAT will pay the outstanding interest of the delay payment resulted from minimum guarantee income in the amount of Baht 1,703,493.75 in the last payment period.

Procurement of Product or Service

The company entered into the agreement with the program co-producers and allows the program co-producer operate TV production and TV programs, which the contents are not against order, public morality, rules, law and stability of the country. It needs to comply with the Broadcasting and Television Act and Frequency Allocation and Supervision of Radio, Television and Communication Organization Act under the supervision of the National Broadcasting and Telecommunications Commission (NBTC.). The company has filed an application for a license to operate the broadcasting radio or television to provide the broadcasting network service or TV that is non-frequency business for broadcasting through television satellite.

2.2 Content Business

Characteristics of product or service

Operation is under the model "The selection of the international sporting events that are popular all over the world", from selecting a type of sport, contacting a foreign agent, marketing and managing the content and distributing through the various TV channels. Our focus is to offer a popular international sport including exotic sports but still fun and exciting track in order to meet the assorted needs of consumers. Currently, the company has a wide selection of contents as below.

EDGE Sport

Background and details of project

EDGE Sport is sports action and global competition, which is the combination of fun and exciting sports in one channel. These include skate, surf boards, action sports in the snow and motorsport, and the tournament's leading and competitions in the category of sports action such as H2O Power boating, Formula Drift, ASP Surfing, TTR Snowboarding and many other quality programs.

Demeter Corporation Public Co., Ltd. (DCORP) entered into the Authorization on Broadcasting Right Agreement with First Group Co, Ltd., who receives the exclusive right from the IMG COMPANY to be an owner of the content in EDGE Sport channel. FIRST is "licensor" and DCORP is "licensee".

Details of the Right

According to the agreement, the licensor agreed to give the broadcasting right (All Rights) with an exclusive rights, and the right to allow person or corporation to sub-exercise right during the contract period of 3 years, starting from August 1, 2015 to July 31, 2018.

Managing the Right

Demeter Corporation Public Co., Ltd. (DCORP) entered into the Authorization on Broadcasting Right Agreement with MIC Broadcast Co., Ltd. "MIC", which DCORP is "licensor" and MIC is "licensee".

Details of the Right

According to the agreement and addendum dated July 13, 2015, the "licensee" agreed to receive the right from the "licensor" to broadcast the referred "content" through the pay TV and received only non-exclusive rights.

In addition to the right to manage broadcasting right of content: EDGE Sport, according to the agreement with MIC, DCORP still has the right in the contents to generate income since EDGE Sport's contents have various and remarkable world competition programs.

Eredivisie (Dutch League)

Background and details of project

Eredivisie (Dutch League) is the highest Football League of Netherland, founded in 1956. After the foundation of professional football club in Netherland, currently it is the ninth of the best league in Europe. The rankings of the UEFA Champions League have 18 teams, and each team will play home team and away team. At the end of the season, the team at the bottom of the table will fall to Division 1 or Eerste Divisie. The winner of Division 1 will move up in this league immediately.

New Agency Co., Ltd. is licensed and has the exclusive rights from FOX INTERNATIONAL CO., LTD. to own the rights to live broadcast football Eredivisie (Dutch League) for 3 seasons, 2015/16, 2016/17 and 2017/18.

The purchase of content rights to live broadcast football Eredivisie (Dutch League) is the rights purchase contract between New Agency Co., Ltd. (right receiver), and Demeter Corporation Public Company Limited. The right receiver agreed to grant the licensee to live broadcast football Eredivisie (Dutch League) for 3 seasons, 2015/16, 2016/17 and 2017/18 to broadcast in all channels (All rights).

Details of the project

Consecutive project (3 years contract) for 3 seasons: 2015/16, 2016/17 and 2017/18.

Details of the right

- The right to live broadcast football Eredivisie (Dutch League) in all channels with Exclusive Rights.
- The right to live broadcast football for 3 seasons: 2015/16, 2016/17, and 2017/18.
- The number of football matches is not less than 80 matches per 1 season.
- Live broadcast through free TV, Modern 9 TV, and parallel broadcast via MCOT HD and MCOT FAMILY.
- The right to broadcast in Thailand over the contract period with unlimited number of times.

Golf European

Background and details of project

European Tour committed to celebrate the game of golf from the origins of the professional game to the proud history of world-class talent. The Golf European Tour is the best golf tournament with the most valuable award and highest prize and bonuses, and also the highest level of golf profession.

The return of European Tour held in Thailand was the first time in eight years since the European Tour tournament in Phuket in 2007. It was one of 48 tournaments of the Race to Dubai for the year 2015. Thailand was honored as one of 26 countries that organized the tournament, which was cooperation between European Tour and Asian Tour for "Thailand Classic 2015" at the Black Mountain Golf Club, Hua Hin, Prachuap Khiri Khan.

Media Agency Thai Co., Ltd. is the licensor of the advertising time for products and services during the live broadcast Golf European Tour through Golf Channel Thailand, which would be broadcast over the True Vision network, KU-band.

Content rights to live broadcast Golf European Tour season 2016, 2017 and 2018 is the agreement of transferring rights of advertising time for products and services between Media Agency Thai Co., Ltd. ("licensor") and Demeter Corporation Public Company Limited ("licensee"). Details in the agreement called "the right in advertising time".

Details of the right

- The right in advertising time during the live broadcast Golf European Tour season 2016, 2017 and 2018, totaling 1,680 minutes (one thousand six hundred and eighty minutes) per season. The total minutes of 3 seasons are 5,040 minutes (five thousand and forty minutes).
- The right in advertising time during the recording broadcast Golf European Tour season 2016, 2017 and 2018, which is the rerun for 2 times per season, totaling 3,360 minutes (three thousand three hundred and sixty minutes) per season. The total minutes of 3 seasons are 10,080 minutes (ten thousand and eighty minutes).

The duration of the contract for the advertising time is 3 seasons, 2016, 2017, and 2018 (after the last day of competition in 2018) and / or a period of 3 years from the date of first broadcast.

Market and Competition

Industry outlook and competition

In Thailand, the popularity on sports and sport programs is increasing since people are health conscious and interested in worthwhile topics. In addition, higher standard of sports in the country, good performance of players in various competitions and sport organized in country both local and international level have increased the popularity and interest in the sports significantly. This is an unlimited expansion of the target group.

For overseas competition, the increase in sport watching channels, which is more convenient, meets the needs of the audience directly and creates value of the content. Especially the sport contents that have a quality,

in formativeness, helpfulness or good inspiration and entertainment will get popularity not only among sports lover but also all ages of audiences. So the sport contents with good quality and variety is an advantage for those in this business.

The company has realized the opportunity in creating value from the management of contents in the form of television by creating contents to be suitable with the structure of the various TV channels in addition to the breakeven from sale of the non-exclusive rights only.

Competitive Strategy

The company focuses on the selection of content with world-class quality, which is well-known and has fewer competitors. Those contents can create high value in the market. Also, the company emphasizes on the selection of new programs with the first broadcast in Thailand and promotes publicly to create a reliability and acceptance. Another strategy is to establish an alliance partner, such as "Siam Sport", which is the media with the strong base of sport audiences and has the website visitors in the amount of hundred thousand daily. Moreover, the programs are promoted through the lip of a DJ., Ventriloquist to stimulate a competitive atmosphere to be more track, and created marketing activities during the competitions. Based on behavior of some audiences, who love a challenge, answering questions for prizes is another way to create an atmosphere during the competitions.

In addition to the focus on the content, the company gives an attention on expanding audience's base by adding a variety of channels with more convenience. The plan to add the number of channels will be analyzed to in line with the behavior of audiences in each group, such as viewing via Online, which is now very popular both viewing Real time and Rerun.

With the right on the contents of some programs, the company plans to extend its business beyond selling of right to broadcast pictures and sounds so as to be recognized as a broadcaster of copyrighted world-class sport program in Thailand and create a good image to the company in the area of content business. This will also help broaden Thai public's worldview and awareness on sports.

Customer Characteristics and Target Customers

All television channels including free TV, digital TV, cable TV, satellite TV and all corporations, which provide sponsorship.

Procurement of Product or Service

The company has procured interesting contents from other producers to broadcast on satellite TV channels of the company. The program must be consistent with the image of the channel and the characteristics of the target audience. The transactions that the company has produced with the program co-production in the condition of time sharing, which is advertising time sharing as agreed, and in the condition of revenue sharing, which all revenue of both parties from advertisement will be shared as agreed.

Environment Impact

-None-

Non-submitted Project

-None-

2.3 Movies and Series

Characteristics of product and service

The company has selected movies and series with the good quality and response to the needs of audiences, and distributed to the customers. Type of series is as follows:

1. Chinese Series
2. Foreign Series
3. Korean Series

Market and Competition

Industry outlook and competition

Nowadays, movies and series are produced continuously, such as Korean series, Chinese series, and series of the Western. Accordingly, consumers have more choices. Moreover, the increase of digital VT and satellite TV channels causes high demand on movies and series to draw attention from consumers. As shown in the programs of most channels, it always has a promotion on new movies and series, also old series that are popular in order to meet the different needs of consumers. It is shown that this business is highly competitive but it is indicated the vigorous growth of the market as well.

Competitive Strategy

The company will focus on a selection of quality since movies and series that are fun and immersive, are indeed a favorite of the audience and in demand by the various channels. Then, a variety of movies and series, regardless of its type, format or the style of the film, must cover all of the target audience in order to meet the different needs of the audience and / or various channels effectively.

Customer Characteristics and Target Customers

All television channels including free TV, digital TV, cable TV, satellite TV.

Procurement of Product or Service

The company has selected qualified movies and series in order to meet the needs of the audience by purchasing various movies and series and distributing to the customers who needs good quality to present to the audiences. There are 2 types of revenue including:

1. Time sharing, which is advertising time sharing as agreed and revenue sharing, which all revenue of both parties from advertisement will be shared as agreed.
2. Selling movies to customers with the period of 1-3 years, which the company has the right to broadcast in the last year of contract. Then, the company will earn revenue from selling advertising time.

Environment Impact

-None-

Non-submitted Project

-None-

Income Structure

| Type of income | Year 2016 | | Year 2015 | | Year 2014 | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | Million baht | % | Million baht | % | Million baht | % |
| 1. Income from co-production | 48.91 | 20.41 | 108.30 | 45.12 | 137.88 | 97.18 |
| 2. Income from broadcasting right | 51.17 | 21.35 | 34.12 | 14.22 | - | - |
| 3. Income from sponsorship of sport tournament | - | - | - | - | - | - |
| 4. Income from sale | 93.27 | 38.91 | - | - | - | - |
| 5. Other incomes | 46.34 | 19.33 | 11.17 | 4.65 | 4.00 | 2.82 |
| Total income | 239.69 | 100.00 | 240.02 | 100.00 | 141.88 | 100.00 |

Notes :

- 1) The company has income from satellite television on December 1, 2010.
- 2) The company has income from sponsorship of Golf Thailand Classic in February 2015.
- 3) Other incomes for 2014 mainly consisted of income from the rental of the dock at Makhm bay in Phuket (the company allowed Nam Chai Sea Shipping Co., Ltd. to rent the dock with the contract term of 10 years and 6 months starting from January 1, 2005 until June 30, 2015) and the income from the fine of late payment of satellite television business. While other income for 2015 is the interest income from investment.
- 4) As income of subsidiaries is less than 10% of total income, there is no income structure by segment presented.

The Group of Target Customers and Distributing Channels

Customers of the company include the group of satellite television program producers, who mostly are business operators in the various businesses and used to be customers of MVTV. For the distribution and selling channels, the company will sell directly to co-production television program producers by having the marketing department and administrative to coordinate and supervise customers closely.

Competition

Due to the growth of satellite television business, both large and small business operators enter into this business. Nowadays, in Thailand more than hundreds satellite television business operators produce various

programs through satellite due to the growth of cable TV industry and satellite television that has received popularity from consumers continuously.

Summary of Income from Media Business

| Type of Business | Before Return of Satellite Television Business (Before March 31, 2016) | After Return of Satellite Television Business (After March 31, 2016) |
|--|--|--|
| 1.Satellite television | | |
| 1.1 Renting 8 satellite television channels | ✓ | ✗ |
| 2. Content | | |
| 2.1 Edge Sport Program | ✓ | ✓ |
| 2.2 Eredivisie Football Program | ✓ | ✓ |
| 2.3 Golf European Program | ✓ | ✓ |
| 3. Movie and series | | |
| 3.1 Chinese movies and series | ✓ | ✓ |
| 3.2 Western movies and series | ✓ | ✓ |
| 3.3 Korean movies and series | ✓ | ✓ |

3. Risk Factors of Media Business

3.1 The Risk of Media Business Operation

3.1.1 The relevant risk on revision of the law on broadcasting and television business

The operation of satellite television business of the company nowadays is under the regulation of Frequency Allocation Organization Act and Broadcasting and Television Business Act B.E. 2551. Under the said law, the NBTC which comes from the provision of the new constitution of Thailand B.E. 2550 ordered the merger of the NBC and the NCC. Even though nowadays, the NBTC committee has been established but the rules and direction in supervision and business operation of broadcasting and telecommunication business is not certain and it is likely to change in a stricter or more lenient way. In the case the stricter, it might affect the work operation

of the Company because the satellite program producers who do not have qualification or advertised more than the law specified will not be able to produce programs which might affect the need of the stations. However, the company has specified program producers to comply with laws, regulations and various rules strictly. Moreover, the company has followed up the news and the progress of the said matter closely in order to prepare for the change of regulations in future.

3.1.2 The risk from the fact that the company cannot find a new co-producer if the co-producer of the company does not renew the contract

From the fact that MVTV had made the program co-production right contract with the company and the company must pay the remuneration in the amount of Baht 4.80 million per month (16 stations) for the entire contract term of 10 years. If the company cannot find program co-producers (or the lessee) continuously, this might affect the capability of payment of the company. The company has planned to decrease the number of satellite TV channels by considering from non-generating income to the company. In this regard, the company has negotiated with the customers for paying partial compensation that would make them satisfied and not sue against it due to the early termination of satellite television rental contract.

3.1.3 The risk that a satellite will not be able to broadcast

Generally, a satellite has the risk to have deficiency due to malfunction of the operation of the satellite itself or the sun storm, and damage from crashing between the satellite and various objects in the space. This reduces the ability in broadcasting the signal temporarily or permanently. Additionally, a satellite still has the risk on shorter useful life, which might affect users of 16 stations according to the contract that the company has made with MVTV, which currently is using the broadcasting signal from Thaicom5 of THCOM. The data from THCOM has revealed publicly that THCOM believes that Thaicom satellite is endurable to the environment on the space as same as international standard. The possibility of severe damage causing deteriorating is very low. However, THCOM has prepared a plan to support the damage result that would happen to customers. If there is severe damage to the satellite and it cannot be used. THCOM has an agreement with other satellite service provider so that users can use it instead. Moreover, in the contract signed with MVTV stated that during the period of 10 years of program co-production right contract, if there is any incident that prevents MVTV from broadcasting programs of the company or co-producers who signed program co-production contract with the company, MVTV would agree to procure other broadcasting channels to the company or the program co-producers without delay and having the same quality of broadcast.

3.1.4 The risk from program co-producers (station lessee) producing programs or broadcast illegal programs

Even though the conditions in program co-production contract between the company and each program co-producer specify that program co-producers need to produce television program and advertisement of goods and service that must not be against the public order, tradition, good moral of people, regulations, law, national

security, and must not affect the king institution. Since the company is not a direct producer, it is difficult to control the content of the programs according to the condition of the contract. It is possible that program co-producers would broadcast illegal programs and might affect the company as the giver of the co-production right. As a result, the satellite channels that the company has leased out might be suspended or sued for the damage cost from related organization.

However, the company has a procedure of inspecting the various programs of program co-producers regularly before broadcasting. The program co-producers must send the program plan to the company to verify before broadcasting for 7 days (monthly program plan). In addition, the company has installed displays to monitor the various programs of co-producers in every station during broadcast. In the case of illegal programs are found, the company will notify to MVTV (the right giver) and Thaicom Public Co., Ltd. (owner of Thaicom 5) to stop the broadcasting of that co-producer. If MVTV and Thaicom public Co, Ltd. has found illegal broadcasting, they would notify the company and stop the broadcasting at the same time. The company can terminate the program co-production contract with program co-producers who broadcast the program that is against the law.

The company has the policy to increase the safety in backing up the various data of 16 stations. Previously data has been kept at MVTV and Thaicom Public Co., Ltd. for 1 month and 3 months respectively, it is changed to be backing up at the company for additional of 7 days. The company will use DVR (Digital Video Recorder), which record the visual and audio and then process those visual and audio in the memory.

3.1.5 The risk in content business

The overall economic situation and high competition in content business and also the increase of TV channels may affect the sale of content to customers or influence the consideration on purchasing content of customers. The company realizes these factors and emphasizes on the selection of quality and well-known content. Moreover, the Company focuses on the performance of the sales team and strategy and receives good support from customers. These can support and reduce the risk in content business.

3.1.6 The risk of movies and series business

The risk of being pirated

The film industry has been affected by the piracy of films in several forms, such as sales of movie discs (CD, VCD, DVD) with piracy, movie downloaded from unauthorized websites. As a result, revenue of the film does not reflect the actual consumption.

However, the company has realized the importance of such issues and provided the prevention and suppression of piracy by receiving the cooperation and support from the government to enforce legal action against the operators who breach the copyright of the company's products.

3.1.7 The risk from early termination of satellite television rental contract which does not comply with the co-production contract and may cause the customer to sue against the company

To mitigate this risk, the company will make a short-term contract of up to one year and will give a 1-month or 2-month notice to the customer and procure other satellite television channel to air in substitution, which will considerably minimize possible damage.

3.2 Risk on Investment of Shareholders

The value of the company's stock price depends on the operation of the company. The company is in the process of expanding business to other businesses in order to diversify risks of income from existing business, which is only from media and cable TV business. According to government's policy to promote the use of alternative, many enterprises have invested in solar energy business resulted the huge demand in PV solar module. The Board of Directors realize that the investment in the manufacturing of PV solar module will generate a steady income for the company, and reduce the risk of media and cable TV business, which suffered stagnation in the present. In addition, the investment in the energy business is a new alternative investment for the company, which will give the company an opportunity to increase income and create profits for the company in the future.

Business Operation of Subsidiaries

In addition to the satellite TV business, the company has expended to 2 business industries including energy business and ICT business, whose major shareholders are Demeter Corporation Public Company Limited, holding 99 percent of share capital.

Business operation of subsidiaries can be classified as follows:

1. Demeter Power Co., Ltd.

General Information

Company's name: Demeter Power Co., Ltd.

Address: 191/43 CTI Tower 21st Floor, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110

Business type: The company focuses on investments in manufacturing, distributing and exporting PV solar module and the business related to the production of electricity from renewable energy especially from wind energy.

Registration no: 0105558024665

Registered capital: Baht 85,000,000 (8,500,000 common shares at par value of Baht 10 per share)

Paid-up capital: Baht 85,000,000 (8,500,000 common shares at par value of Baht 10 per share)

Shareholders' name list as at December 31, 2016

| No. | Name | No. of Shares | Holding of Capital (%) |
|-------|--|---------------|------------------------|
| 1 | Demeter Corporation Public Company Limited | 8,499,998 | 99.99998 |
| 2 | Mr. Apichet Bhusry | 1 | 0.00001 |
| 3 | Mr. Anit Osathanugrah | 1 | 0.00001 |
| Total | | 8,500,000 | 100.00000 |

Details of Business Operation

Background

Demeter Power Co., Ltd., formerly AJP Power Co., Ltd., is a limited company incorporated on February 9, 2015. On August 13, 2015, the company has changed the name to Demeter Power Co, Ltd.

Business operation

Electricity is basic infrastructure essential for life. Economic development of all countries focuses on energy sector development in order to serve the growth of the population. Thailand is one of countries that considers the energy sector development both technologies and sources of energy. The government's policy is to promote the production of electricity from renewable energy continually in order to reduce the risk of dependence on fossil fuels and reduce emissions from the production of electricity. The plans for the development of renewable and alternative fuels in 10 years (B.C.2555 to 2564) or the Alternative Energy Development Plan (AEDP), Thailand has set a goal of using renewable energy to increase to 25 percent of the total energy consumption in 2021.

The company is a manufacturer of PV solar module and provides services related to the production of electricity from renewable energy especially from solar and wind energy. The company's business can be divided into 3 parts as followings:

1. Manufacturing Solar Cells and Solar Modules

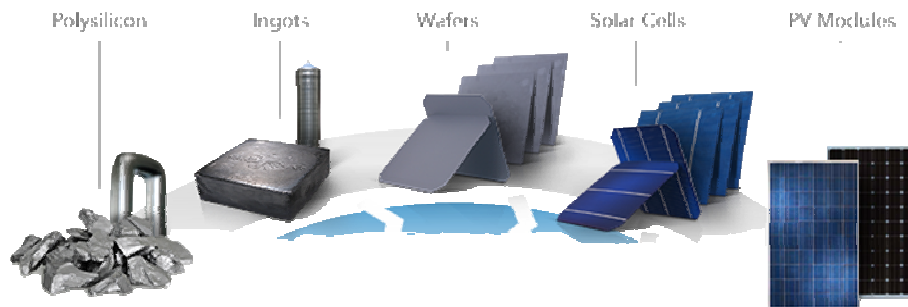
Nature of product

The Board of Directors meeting no. 2/2016 on March 15, 2016 has approved a resolution to invest in a joint venture in Lison Solar Company Limited with Hainan Yingli New Energy Resources Company Limited. Lison Solar Company Limited will invest and construct a solar cell manufacturing plant. The plan has been submitted and will be presented in ordinary general meeting of shareholders for the year 2016 on April 29, 2016.

The company is investing in Lison Solar, subsidiary of Yingli Solar, through Demeter Power Company Limited. Share Sale and Purchase Agreement in relation to the sale and purchase of shares in Lison has been signed on December 4, 2015 and the Amendment Agreement in relation to the Share Sale and Purchase Agreement on December 24, 2015 (altogether refers to "Share Purchase Agreement"). And both Demeter Power

and Yingli Solar have signed Joint Venture Agreement in relation to investment in Lison on December 4, 2015. ("Joint Venture Agreement")

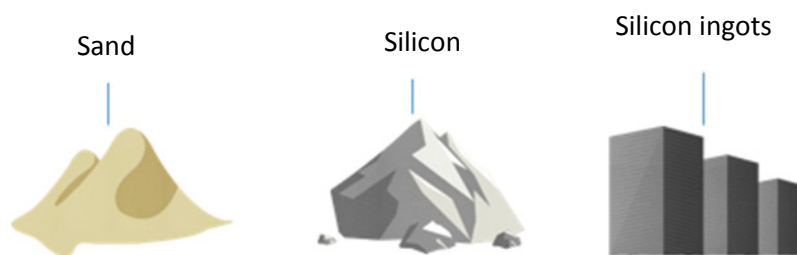
Lison will build a Crystalline Silicon cell manufacturing plant in Amata City, Rayong. Main machines are imported from China and the production processes will be controlled to keep all the products at international standard level. 300 MW of Crystalline Silicon Solar Modules will be produced in the first year.



How to make a solar panel

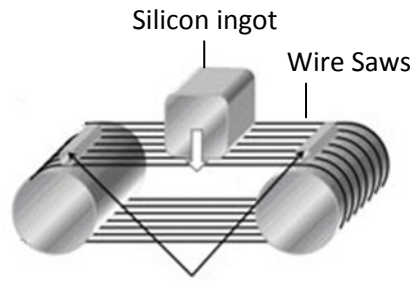
Production process

1. Creating Silicon ingots, blocks with 99.99% purity by heating sand at very high temperature to extract silicon from sand. Let it cool down to crystal form, then we mix it with boron to give the silicon positive polarity. After cooking process at over 2,000 degrees Fahrenheit and letting the ingots cool down again, we get silicon ingots ready for the next process.



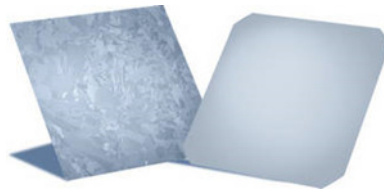
Creating Silicon ingots

2. Slowly slicing the ingots into thin wafers using hundreds of wire saws, and we get less than 200 microns thick wafer.



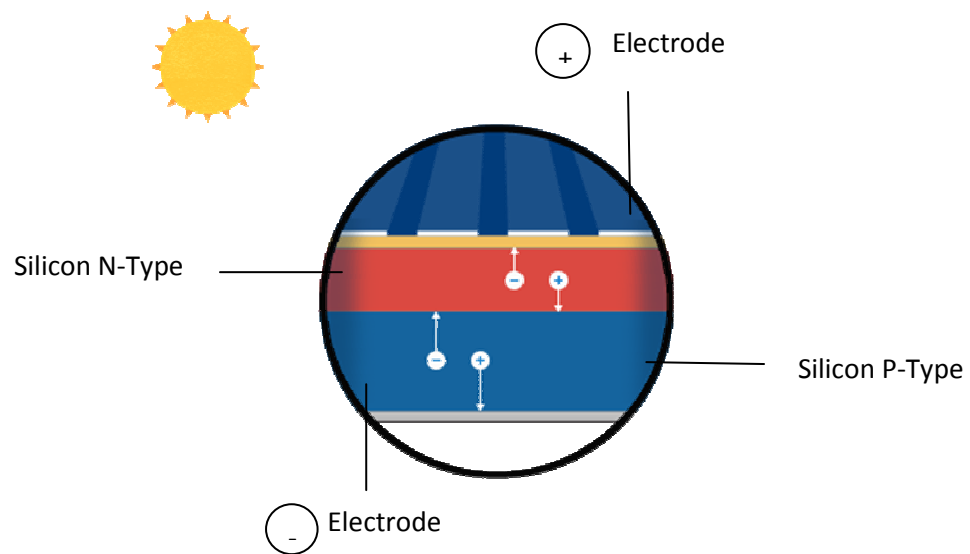
Slicing the Silicon Ingots

Clean the wafers then put them through chemical process to create very small pyramids on the surface of each wafer, by this method the wafers will reflect less and absorb more photon from sunlight.



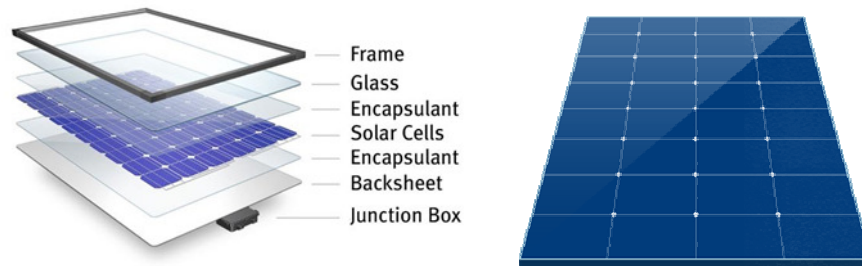
Wafer after reducing the reflection capacity

3. Phosphorus will be injected into the silicon wafer at high temperatures. Then we clean it off by another chemical process and “Solar Cell”, cells that convert sunlight into electricity is created and ready to be assembled into Solar panels.



Solar cell composition

4. Assembling and connecting 48, 60 or 72 cells together within encapsulate, which attached high-transparency glass on the front side and a highly durable back sheet on the back end. Then heat it up to form a protective cocoon around the solar cells. Next, rigid aluminum frames will be placed around the perimeter for structural stability and long-term protection. Finally we add a junction box to the back of the panel to act as an exporting point for the solar electricity. And these solar panels are the final product of Demeter Power's investment in Lison Solar.



Structure of Solar modules

Market and competition

Electricity from sunlight is clean. And renewable energy and solar farm (solar power plant) can be constructed easier and faster compared to other type of power plant, with this solar modules are used extensively globally every passing day. Solar modules, manufactured by Lison, will be mainly exported to US market. Major competitors are mostly Chinese manufacturers, but the demand of solar panels in the market is still steady high because of the diversified range of solar panels and the different condition of each area. And with our cutting-edge technology and rigid quality control together with our global network, we gain good bargaining power from suppliers and customers.

Competition Strategies

The key competition strategies are as follows:

1. Development of products using quality production technology and materials
2. A team of skillful and experienced personnel
3. Quick and efficient service

Material Sourcing

Main raw material of a solar module is solar cells. They will be imported from China and South Korea etc. International standard, delivery time, warranty and price will be considered during sourcing process. All other local materials such as glass, aluminum frame will be sourced using the same process as the imported ones. Storage plan will also be implemented to ensure quality and availability of the products.

Progress of the Project

Currently, the solar cells manufacturing project is temporarily suspended in the light of change of Yingli solar cell product's ranking as most recently announced in early 2016, as it could adversely affect customer confidence, competitive edge and project financing. After the change of rating is duly resolved, the company and Yingli will consider feasibility of resuming the project.

Non-submitted Project

-None-

2. Co-investment, Design, Consultancy and Construction of Solar Power Plant

Characteristic of service

The company offers co-investing, designing, consulting and constructing service for solar power plant projects by an in-house team who has a lot of experience domestically and internationally. Our service comprises of:

1. Co-investing with project owner who cannot connect to a source of fund.
2. Designing and consulting
3. Procuring and constructing solar power plant

Market and Competition

Demeter Power has a lot of extensive experienced in-house specialists for solar farm project, developers, financiers and technicians. Demeter Power's expertise covers all the aspect of developing and constructing a high efficiency solar power plant for every project location. In terms of financial, our team are capable to help project owners managing resources and funds for an optimized return of investment.

Competition Strategies

1. The company's financial readiness allows it to co-invest with the project owner who has no access to funding source so that they can operate the power manufacturing from alternative energy scheme.
2. With a good track record of financial management in the development of many onshore and offshore projects, the company has in place experienced personnel in developing solar power plant who have both technical and financial management skills that will help minimize unnecessary loss on investment.
3. The company has a quick and efficient after-sale service.
4. The company underlines the importance of maintaining good relationship with customers and ensuring they receive good services.

Material sourcing

Modern computer programs are necessary during design and feasibility study stage. In order to make a good plan for high efficiency power plant, we have sophisticated hard-wares and soft-wares ready all the time. Our team has also been training to improve their skill and to be prepared for any conditions arising.

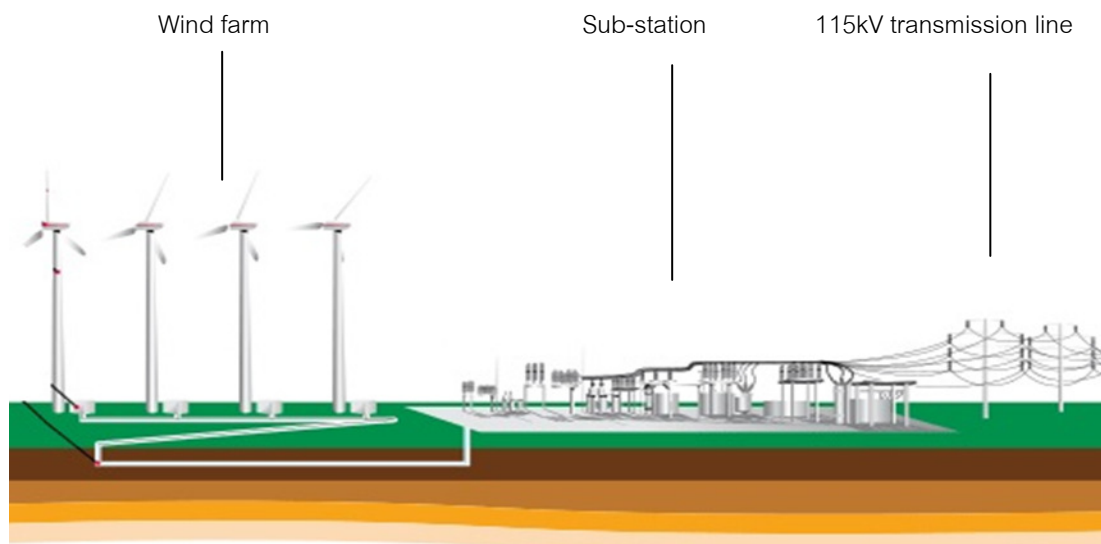
Non-submitted Project

-None-

3. Manufacturing Co-investment in Wind Farm

Characteristic of service

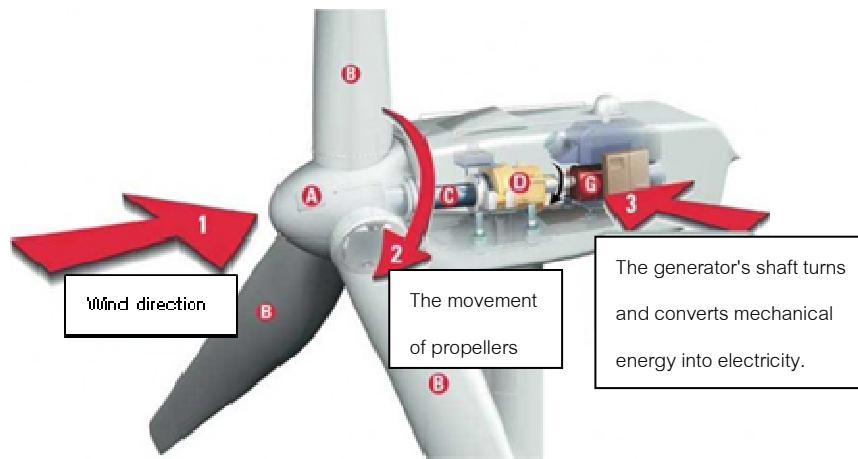
The company has co-invested in 25% shares in Winchai Company Limited, project developer and owner of 45MW (52MW installed capacity) Romklao Wind Farm in Nikom-kam-sloi district, Mukdaharn province. Project has signed PPA with its counter-party, EGAT, on May 7, 2015. EGAT will buy the 115kV electricity in adder scheme at Baht 3.5 /kWh for 10 years. The construction is planned to be finished and start Commercial Operation Date (COD) in April 2019.



Electricity generation from Wind farm

Electricity generating process

Wind turbine is used to harvest kinetic energy from wind. When wind mass move pass a wind turbine, kinetic energy will be convert into mechanical energy by the movement of propellers. Mechanical energy will be transmitted through gear and shaft into asynchronous generator. Amount of generated energy depends on wind speed, technology of turbine and project location.



Generating electricity from wind power

Market and competition

Generating and selling electricity from wind power can be considered as no competition business because each project owner enters into an agreement directly with EGAT. All the generated electricity is sold to EGAT at price and conditions as described in Power Purchase Agreement (PPA). However, Demeter Power is always be selective and uses only fair-price, high international standard equipment.

Beside, Demeter Power also sees great opportunities in wind energy business because electricity demand increases every year. Government sector hence has been continually releasing supporting programs to promote renewable energy in the country to mitigate the risks of depending too much on fossil fuel and to decrease the pollution from electricity generation. In the 10 year Alternative Energy Development Plan (AEDP), from 2012 – 2021, Thailand aims to increase the usage of renewable energy to 25% of the country energy consumption in 2021. And wind energy is one of the units that receive a lot of support via AEDP such as the permits facilitation, 10 years adder scheme at Baht 3.50/kWh etc.

And after the consideration of all above condition, Demeter Power see and investment in a joint venture in wind farm project as a great potential. With these supports from government together with high wind speed location in Mukdaharn, this project will generate a steady, predictable income in the long term.

Competition Strategies

The company's wind energy power plant business does not face direct competition with other operators, because it has a power purchase contract with Electricity Generating Authority of Thailand (EGAT). All generated electricity will be sold to EGAT at the price and under the conditions specified in the contract. Nevertheless, the company is focusing on choosing equipment of international standard and high efficiency at justified price in order to be able to generate high volume of electricity for efficient supply to EGAT throughout the project tenor.

Material sourcing

Primary material for a wind farm is wind and Thailand location is under the influence of 2 monsoons; south-western monsoon during the middle of May to the middle of October and north-eastern monsoon during the middle of October to the middle of February. And because of this Demeter Power has been putting a lot of effort in wind turbine selection to choose the most suitable wind turbine for this location.

Non-submitted Project

Project is located in Nikom-kam-sloi district, Mukdaharn province, selling electricity at 45 MW.

Income Structure

| Type of Income | 2016 | | 2015 | | 2014 | |
|---------------------------|--------------|--------|--------------|--------|--------------|---|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| - Demeter Power Co., Ltd. | | | | | | |
| 1. Income | 0.00 | 0.00 | 0.00 | 0.00 | - | - |
| 2. Other income | 21.16 | 100.00 | 0.31 | 100.00 | - | - |
| Total revenue | 21.16 | 100.00 | 0.31 | 100.00 | - | - |

Risk factors of Demeter Power

1) Risks from product manufacturing

Critical risk for product manufacturing comes from raw material and production process. Because the main component of a solar module is solar cell and these cells cannot be produced in Thailand which means have to be imported only. This leads to the risks if suppliers cannot supply solar cell on-time or supply sub-standard cells instead. To mitigate this risk, Demeter Power has written terms and conditions about compensation in every process with relevant suppliers. In addition, a solid plan of quality control and quality assurance has been set-up to ensure that all materials meet high international standard. Demeter Power will also apply for Thai Industrial Standard to grant even more confident to clients.

2) Risk from currency exchange rate

Energy business unit of Demeter Power imports a lot of material and equipment and also export the final products so currency exchange rate become a major risk if not attend. To mitigate this risk, Demeter Power has a plan to open an account in related foreign currency and trends of the exchange rate will be considered before every order. Forward contract is also an option to be explored.

3) Risk from economic and politic situation

Economy and politic is ones of the major factor for every investment. Credibility of Thai investor goes down during bad economic or politic situation and this will indirectly affect to Demeter Power's business as well. Demeter Power, however, focuses on manufacturing high quality products and secures long-term order to mitigate such risk.

4) Risk from natural disaster

Wind speed and frequency has direct impact to generated electricity. But during developing and designing stage, developer has obtained climate data at the project location via wind mast and wind vane. Later, the date is used to plan and select wind turbine that is the most suitable for the location. New generation of brakes and propellers direction adjustment system have been designed to take action and effectively protect wind turbines during storm and very high wind speed conditions.

Sufficient space of land is important for investment in solar power plant, because several rais are needed in order to generate 1 megawatt of electricity. The company must survey the area intended to construct a power point and ensure adoption of proper technology in the construction, given a solar cell's usage life of 25 years and the rather high maintenance cost per year.

5) Risk of the investment to shareholders

SET is very sensitive to economic condition, political stability and assessment to information of Thai and foreign investors. But this factor has very little impact to company's stock price. Demeter Power, however, does always focus on good plans and strategies to make every energy project worth the investment and limit this external risk to affect only a short period of time.

Current Status of the Project

On August 25, 2016 the Demeter Corporation Public Company Limited Board of Directors' meeting no. 7/2016 approved the divstment of all 25% ordinary shares in Winchai Company Limited held by Demeter Power Co., Ltd., the company's subsidiary. Later on 29 September 2016, the company agreed to sell 25% shares in WIND, valued Baht 215,000,000, to First Alpha Venture Co., Ltd. The decision to divest in WIND was made due to the view that its subsidiary, as WIND's minority shareholder, can engage in the development of WIND's projects only in proportion to their shareholding and could not fully manage and anticipate investment, which could adversely affect the return on investment in WIND and subsequently the company's shareholders. Besides, it saw the opportunity to invest in other projects that could generate a higher return, especially offshore projects.

2. Demeter Media Co., Ltd.

The company operates under the philosophy to work creatively, intently and to select qualified items to delight consumers continuously. The core business is Satellite Television business.

General Information

Company's name: Demeter Media Co., Ltd.
 Address: 191/43 CTI Tower 21st Floor, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110
 Business type: Supply, produce and / or co-produce of satellite TV program.
 Registration no: 0105552037951
 Registered capital: Baht 48,000,000 (480,000 common shares at par value of Baht 100 per share)
 Paid-up capital: Baht 48,000,000 (480,000 common shares at par value of Baht 100 per share)

Shareholders' name list as at December 31, 2016

| No. | Name | No. of Shares | Holding of Capital (%) |
|-------|--|---------------|------------------------|
| 1 | Demeter Corporation Public Company Limited | 479,998 | 99.96 |
| 2 | Mr. Apichet Bhusry | 1 | 0.02 |
| 3 | Mr. Anit Osathanugrah | 1 | 0.02 |
| Total | | 480,000 | 100.0000 |

Details of Business Operation

Background

Demeter Media Co., Ltd., formerly U Best Point Media Co., Ltd., is a limited company incorporated on April 20, 2009 operating Call center business. In 2013, the company has changed its business operation to satellite TV by receiving a license of broadcasting and television to provide television broadcasting services, no.B1-S21040-0389-56, for S.E.X.Y Woman TB channel from NBTC since April 22, 2014 to April 21, 2016 (previous license was from April 22, 2013 to April 21, 2014). On August 13, 2015, the company has changed the name to Demeter Power Co, Ltd.

Business operation

The company is an executive of Sexy TV channels on satellite television in October 2014 and had increased the registered and paid-up capital the purchase of land and building to operate the business of TV production and content production. The nature of the business is as follows.

1. Satellite Television

Characteristics of product and service

The company operates a satellite television by receiving the right to supply and / or produce television programs and / or enter into co-production agreement with program co-producers for one satellite television station and the Company allows program co-producers to co-produce program, TV show programs. The content must not against to public order customary and public morality, the rules, law and stability of the country to broadcast via satellite television. The list of stations, nature, and duration of each contract are as following table:

| Station | Program | Duration | Counter Party |
|--------------------|---------|---|-----------------------------------|
| S.E.X.Y CHANNEL | Variety | October 1, 2015 - September 30, 2016 | P5 TV and Production Co., Ltd. |
| Major Film | Variety | October 1, 2016 - April 21, 2017 | |

Market and Competition

Industry outlook and competition

Today, cable TV channels have increased and are the alternative choices for people. Many companies want to operate in this business resulted high competition in the industry. Each company that owns the channels tries to find a good program to draw attention from the audience. It is believed that the outlook of cable TV business will have only few companies. The company foresees that the lease out of TV channels or co-production to any companies needs to consider the qualified companies that have vision as same as the Company, which will enhance business operation and the audience will receive the maximum benefit.

Competition Strategies

The company plans to build its strength and publicize its cable television channels to be well-known and widely accepted by viewers. It will focus on providing contents that are outstanding, interesting and diversified, because viewers mostly choose based on program contents. Interesting contents will help build a flavor and make viewers remember the channel or the program. The company will initiate and develop more quality program contents, including news, variety, music, movie, shopping and other programs, to offer alternatives to viewers.

Customer Characteristics and Target Customers

Our customers need to expertise on cable TV since most of target customers include direct customers and advertising agency.

Direct customers are the group of product or service owners, who buy the advertising time from the program production directly to advertise their own products. Advertising agency is the group that manages the

advertising program for the product owners by purchasing the advertising time from the producer, also plans for advertising media for its customers.

The company rents out buildings and locations for P5 TV and Production Co., Ltd. to produce satellite television programs. The premises rental contract was signed on January 26, 2016, valid from January 15, 2016 to January 14, 2019.

Procurement of Product and Service

The procurement of product and service of Demeter Media Co., Ltd. is as followings:

1. Supply and / or produce television programs and / or enter into co-production agreement with program co-producers.
2. Find product or service owners who buy the advertising time from the program producers directly, customers who manage the advertisement for product owner by purchasing the advertising time from the program producers and also plan for advertising media for its customers.
3. Produce and create portfolio by segregating duty and responsibility of personnel both in the area of design, creativity and management to ensure the success of events.

Environment Impact

-None-

Non-submitted Project

-None-

Income Structure

| Type of Income | 2016 | | 2015 | | 2014 | |
|---------------------------|--------------|---------------|--------------|---------------|--------------|----------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| - Demeter Media Co., Ltd. | | | | | | |
| 1. Income | 7.44 | 57.36 | 6.27 | 67.93 | - | - |
| 2. Other income | 5.53 | 42.64 | 2.96 | 32.07 | - | - |
| Total income | 12.97 | 100.00 | 9.23 | 100.00 | - | - |

Risk Factors of Demeter Media Co., Ltd.

1. Risk Factors in Satellite TV Business

Risk from the renewal of concession contract

The National Broadcasting and Telecommunications Commission (NBTC.) has announced the rules and procedures for granting the television broadcasting services to mandate operators of satellite TV channels and cable television into the regulatory mechanisms. NBTC will issue licenses to operators from time to time. Initially,

the license will be one year, thereon, will be not more than two years. NBTC will adopt guidelines of complaint on the offense with inappropriate content or illegal advertising or actions which contradict to consumer protection, and also other additional criteria issued in the future as a basis for determining the license for individual entrepreneurs. If each license has short-term period, it may affect business expansion, production plan and the creation of the company's revenues. However, the company realizes the importance of compliance with regulations strictly to ensure that the Company will be able to get a license for satellite TV continuously.

Risk from the announcement of regulations from the Office of National Broadcasting and Telecommunications Commission (NBTC)

The Broadcasting is considered as journalism influencing people since it is accessible publicly more than other types of media. The Broadcasting business must be operated under the law and the government agencies who have a role to oversee the operations of local enterprises is NBTC.

NBTC has authorized to supervise and issue guidelines to governance the TV operators to compete freely and fairly, ethically and to protect consumers to benefit and not to be exploited by operators such as controlling a quality of content to be suitable to the target audience, ranking the appropriate level of programs to protect children and youth. Currently, NBTC has the announcement continuously in line with NBTC's policy and the problem of business operation. So the announcement of NBTC is upheld with businesses of all television operators. All regulations are subject to change and take some time to find the impact on business operations, which will reflect the risk factors of business operation.

Risk from market completion in television industry

In previous year, the TV industry had intense competition since the start of digital TV broadcasting around mid-year 2014, and existing various channels on satellite and local cable TV. As shown that the channel operator has new program continuously and improve the quality and style of the contents to be more interesting in order to compete for ratings from viewers and advertising budget. The agency company will have more option to advertise by using "ratings" and "value for money" as the basis for the advertisement, therefore, the sale of advertising time is more difficult. However, the company has experienced in television program production and management of own satellite TV channels for a long time. In addition, the company has clear target audiences and qualified content that satisfied audiences, also experience staff and promotion in various formats can encourage viewers' royalty. This enables the company to compete and retain its market share from competitors in the industry.

3. Aukkrarawat Plants Renewable Energies Co., Ltd.

General information

Head office address : 99/1 Moo 8, Sakrajom Sub-disrict, Don Jadee District,
Supanburi Province

Registered capital : Baht 5,000,000

Paid-up capital : Baht 5,000,000

Par value : Baht 100 per share

List of Shareholders, as of December 31, 2016

| No. | Name | Number of Shares Held | Shareholding Proportion (%) |
|--------------|--|-----------------------|-----------------------------|
| 1 | Demeter Corporation Public Company Limited | 8,200 | 16.40 |
| 2 | Tanayatorn Power Plant Co., Ltd. | 16,800 | 33.60 |
| 3 | Mr. Tisanu Tanayatorn | 17,500 | 35.00 |
| 4 | Mrs. Niya Tanayatorn | 2,500 | 5.00 |
| 5 | Miss Pakanut Tanayatorn | 2,500 | 5.00 |
| 6 | Mr. Tanapon Tanayatorn | 2,500 | 5.00 |
| Total | | 50,000 | 100.00 |

Details of Business Operation

Aukkrarawat Plants Renewable Energies Co., Ltd. was incorporated on May 2, 2008 to produce and sell electricity generated from renewable energy. It signed a power purchase contract (VSPP) with Provincial Electricity Authority (PEA) with the production capacity of up to 4.9 megawatts on May 19, 2009. The company's biogas power plant makes use of biogas produced from waste water that is released after sugar production process of the sugar plant nearby as material for electricity generation. The sugar plant had plenty of unneeded waste water and desired to sell it for electricity generation to cut its treatment expense. The waste water from sugar plant is sufficient to support the electricity generation of the company's power plant.

Progress of the Project

After obtaining the approval from the Board of Directors' meeting no. 10/2016, held on December 16, 2016, the company will acquire 25,000 ordinary shares of Aukkrarawat Plants Renewable Energies Co., Ltd. ("Akkrawat") that engages in biogas power plant business, from the existing shareholder, which account for 50% of Akkrawat's total registered capital. The shares acquisition will be made in three times, first 8,200 shares by December 2016, second 8,619 shares or 16.32% of total shares by January 2017 and third 8,181 by July 2017, making a total of 25,000 shares which represent 50% of total shares in Akkrawat. On December 30, 2016, the company was transferred the first portion of 8,200 shares or 16.40% of total Akkrawat shares after the payment of Baht 36,078,245 in total to Tanayatorn Power Plant Co., Ltd.

The company also has a plan to purchase, hire and sign a contract with the contractor for land improvement as well as machinery procurement and installation by February 2017. During power plant improvement, it will still be able to sell electricity to PEA at the same capacity of the existing machinery (about 0.6 megawatt). After complete improvement, it is expected that the company will be able to fully serve PEA's purchase demand of 4.9 megawatts. However, to comply with security rules, the company may need to temporarily cease machinery operation and power distribution as deemed necessary.

Risk Factors of Aukkrarawat Plants Renewable Energies Co., Ltd.

Key materials risk

The company operates a biogas power plant, using wastewater from sugar plant nearby as a raw material for electricity generation. Such wastewater is a crucial material in electric current production process, and the amount of produced electricity will depend on the sugar plant's wastewater output and selling agreements. This may cause the company to be exposed to the risk of lacking raw materials if wastewater from sugar production is inadequate or the sugar plant declines to dispose wastewater to its biogas power plant. Nevertheless, the company has an agreement with other neighboring sugar plants. Besides, the survey reveals that the sugar plant has a lot of unneeded wastewater and it desires to dispose such wastewater for electricity generation to cut treatment expense. Hence, it is confident that the wastewater from such sugar plant will be sufficient to support power plant's production.

Customer concentration risk for energy business

All power plant schemes have PEA as a single customer. However, since PEA is a reliable and solid government agency and there is a power purchase agreement, the customer concentration risk is low.

Regulatory risk

Change of rules and regulations related to business operation may either positively or negatively affect the company's business. Such change is an external and uncontrollable factor. However, the company has kept monitoring changes in regulations and government policies. Moreover, in analysis of business investment, the company will put importance on regulatory risk and ensure flexibility in adjusting operational format in order to comply with public sector's regulations.

4. Stock Information and Shareholders

4.1 Registered and Paid-up Capital

As at December 31, 2016, the company has registered capital of Baht 590,547,570 and the paid-up capital of Baht 549,749,896, divided into 590,547,570 shares with the par value of Baht 1 per share.

4.2 Shareholders

(1) Name lists of major shareholders

The first 10 name lists of major shareholders as at December 26, 2016 are as followings:

| No. | Name List | Number of Shares Held | Shareholding Proportion (%) |
|-------|--|-----------------------|-----------------------------|
| 1 | Mr. Patsak Osathanugrah | 42,970,270 | 7.816 |
| | - Mr. Orit Osathanugrah (son) | 102,800 | 0.019 |
| | - Mr. Tatcharin Osathanugrah (sibling) | 3,687,000 | 0.671 |
| 2 | Mr. Chotiphun Tiaviwat | 25,000,000 | 4.548 |
| 3 | Mr. Charesak Songwuthichai | 23,557,773 | 4.285 |
| 4 | Mr. Mongkol Prakitchaiwattana | 21,486,700 | 3.908 |
| 5 | UOB Kay Hian Private Limited | 20,000,000 | 3.638 |
| 6 | Mr. Pisitpong Wongtongdee | 18,885,600 | 3.435 |
| 7 | Thai NVDR Co., Ltd. | 15,599,611 | 2.838 |
| 8 | Mr. Utaipan Jirakulpongton | 14,201,100 | 2.583 |
| 9 | Mr. Arnonchai Weeraprawat | 12,000,000 | 2.183 |
| 10 | Mr. Assadayut Duangpanyasawang | 10,400,999 | 1.892 |
| Total | | 207,891,853 | 37.816 |

The number of minority shareholders is 2,546 or 33.08%.

To maintain the qualification on shareholding distribution must have the amount of minority ordinary shareholder for not less than 150 shareholders and the said shareholders must hold the shares for not less than 15% of all paid-up capital of the Company.

Foreign Shareholders as of December 26, 2016

The company has foreign shareholders in the amount of 8 people holding the total of 20,287,100 shares (with the par value of Baht 1 per share) or 3.69% of the registered capital.

(2) Shareholding in subsidiaries

: Demeter Media Co., Ltd.

Shareholders' name list as at December 31, 2016

| No. | Name | No. of shares | Holding of capital (%) |
|-------|--|---------------|------------------------|
| 1 | Demeter Corporation Public Company Limited | 479,998 | 99.9996 |
| 2 | Mr. Apichet Bhusry | 1 | 0.0002 |
| 3 | Mr. Anit Osathanugrah | 1 | 0.0002 |
| Total | | 480,000 | 100.0000 |

(Par value: Baht 100 per share)

: Demeter Power Co., Ltd.

Shareholders' name list as at December 31, 2016

| No. | Name | No. of shares | Holding of capital (%) |
|--------------|--|------------------|------------------------|
| 1 | Demeter Corporation Public Company Limited | 8,499,998 | 99.99998 |
| 2 | Mr. Apichet Bhusry | 1 | 0.00001 |
| 3 | Mr. Anit Osathanugrah | 1 | 0.00001 |
| Total | | 8,500,000 | 100.00000 |

(Par value: Baht 100 per share)

: Akkrawat Crop Rotation Energy Co., Ltd.

Shareholders' name list as at December 31, 2015

| No. | Name List | Number of Shares Held | Shareholding Proportion (%) |
|--------------|--|-----------------------|-----------------------------|
| 1 | Mr. Tisanu Tanayatorn | 17,500 | 35.00 |
| 2 | Mrs. Niya Tanayatorn | 2,500 | 5.00 |
| 3 | Miss Pakanut Tanayatorn | 2,500 | 5.00 |
| 4 | Mr. Tanapon Tanayatorn | 2,500 | 5.00 |
| 5 | Tanayatorn Power Plant Company Limited | 16,800 | 33.60 |
| 6 | Demeter Corporation Public Company Limited | 8,200 | 16.40 |
| Total | | 50,000 | 100.00 |

(Par value of Baht 100 per share)

4.3 Issuance of other securities

According to Demeter Corporation Public Co., Ltd. has issued Warrants to Purchase Ordinary Shares of the Company no. 1 (DCORP-W1) ("Warrants") of 100,000,000 units to the existing shareholders in proportion to their shareholding on May 9, 2014. The warrants no.1 can be exercised on the last business, which is end of 1 year from the date of issuance of the Warrants no.1 and has terms of 3 years from the date of issuance of the Warrants no.1. However, on August 3, 2015, the Meeting of the Holders of the Warrants to Purchase Ordinary Shares No. 1/2015, passed the resolution on the amendment of the exercise date from "Holders of DCORP-W1 shall be eligible to first exercise their rights on the last business day of the first year, which is one year counted from the issuance date of DCORP-W1 and the second exercise date is the last business day of the second year, which is two year counted from the issuance date of DCORP-W1 and the last exercise date is on the maturity date of DCORP-W1" to "Holders of DCORP-W1 shall be eligible to first exercise their rights on the last business day of the first year, which is one year counted from the issuance date of DCORP-W1 and shall be eligible to exercise their right to purchase the company's ordinary shares under DCORP-W1 for the second time on August 25, 2015 (the "Second Exercise Date of DCORP -W1") and shall be eligible to exercise their rights to purchase the company's ordinary shares under DCORP -W1 for the latter time every 3 months from the Second Exercise Date. The Last Exercise Date shall be at the maturity date of DCORP -W1. The details of the Exercise Dates are as follows:

3rd Exercise Date: November 25, 2015

4th Exercise Date: February 25, 2016

5th Exercise Date: May 25, 2016

6th Exercise Date: August 25, 2016

7th Exercise Date: November 25, 2016

8th Exercise Date: February 25, 2017

9th Exercise Date (last exercise): May 8, 2017

The company shall not close the register book of Warrant Holders DCORP-W1, except for the last exercise period which the company shall close the Warrant Holders Register Book 21 days prior to the last exercise date (or the maturity date), and the MAI shall post "SP" (suspend trading) sign 3 business days prior to the closing date of the Warrant Holders Register Book or closing the Warrant Holders Register Book to specify right of holders of DCORP -W1 to participate in the meeting of holders of DCORP -W1 in the case that the exercise date falls on a day where the Warrant Registrar is closed or on the closing day of the MAI, the exercise date shall then be the last business day immediately preceding the exercise date.

The company has allotted the ordinary shares of the company to preserve the exercise of warrants in the amount of 160,059,924 shares at par value of Baht 1 per share, which the exercise ratio of 1 unit of warrants per 1.60274 ordinary shares and the company shall issue the ordinary shares to the holders of warrants not over a number of warrants multiplied by the exercise ratio. The fraction of the number of shares to be received from the exercise shall be deleted. The exercise price is Baht 1.871 per share.

As at November 28, 2016, the outstanding balance of unexercised warrants was 25,454,909 units and the ordinary share reserved for the exercise was 40,797,674 shares.

5. Dividend Payment Policy

The Company has the policy to pay dividend in the rate of not less than 50% of the net profit for the year without accumulated loss. Currently the Company could not pay dividend since there is an accumulated loss.

6. General Information and other important information

6.1 General Information

| | | |
|--------------------------------|---|--|
| Company | : | Demeter Corporation Public Company Limited |
| Address | : | 191/43 CTI Tower 21 st Floor, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Telephone 0 2204 2601 Fax 0 2204 2616 Website : www.demetercorporation.com |
| Registered and paid-up capital | : | Ordinary shares 549,749,896 shares, par value of Baht 1.00 per share, total of Baht 549,749,896 |

Secondary Market

Mai

Number of staff

As of December 31, 2016, the company has total of 28 employees

Accounting period

: 1 January - 31 December

Auditor

| No. | Name list of auditor | CPA Registration No. | Office Name |
|-----|----------------------------|---------------------------|-----------------------|
| 1 | Ms. Kannika Wipanurat | CPA Registration No. 7305 | Karin Audit Co., Ltd |
| 2 | Mr. Jirote Sirirorote | CPA Registration No. 5113 | Karin Audit Co., Ltd |
| 3 | Ms. Nonglak Pattanabandith | CPA Registration No. 4713 | Karin Audit Co., Ltd |
| 4 | Mr. Jetsada Hungsapruek | CPA Registration No. 3759 | Karin Audit Co., Ltd. |

Internal auditor

: The Best Solution Partnership Limited

Share registrar

: Thailand Securities Depository Co., Ltd

Dividend payment policy

: The Company has the policy to pay dividend in the rate of not less than 50% of the net profit for the year without accumulated loss. However, nowadays the Company could not pay dividend since there is an accumulated loss.

6.2 Other Important Information

-None-

Part 2

Management and Corporate Governance

7. Managing Structure

7.1 Board of Directors

Authority and duties of the board

A. Board of Directors

- Duties

Governing business operation to meet business objectives

- Component and appointment

* Components consist of - 7 directors

- 5 independent directors

By having - Chairman of Board of Directors

Mr. Suthep Liumsirijarearn

- Chief Executive Officer

Mr. Anit Osathanugrah

*Appointment The shareholders meeting shall elect directors according to the guidelines and procedures as follows.

(1) One shareholder would have the voting rights equally to the number of shares held

(2) Each shareholder will use all voting rights according to (1) to elect one or more people as directors but could not give the voting rights to any person

(3) Person who receives the highest vote in sequent will be elected as directors equally to the number of directors which will have or will be elected in that time. In the case that elected persons in the next order with the same voting score have more than the number of directors would have or would be elected in that time. The chairman in that meeting will have a decisive vote.

- The maximum number of directors

Not less than 5 people but not specify the maximum number of directors and not less than half of all directors must have address in the kingdom.

- Ratio of directors who are representative of shareholders

Not specify.

- Rights of minor shareholders in appointing directors

According to the guidelines of appointing directors of the company

B. Audit committee

1. Scope of duties - According to the scope and objectives specified by the board of directors.
2. Duties and responsibilities of Audit Committee in Corporate Governance are as follows.
 - 1) Review the Company on the accuracy and sufficiency of the financial report.
 - 2) Review the Company on the appropriation and effectiveness of internal control and internal audit and to consider the independence of internal audit function and to approve the appointment, transfer, termination of the internal audit function or other functions that are responsible for the internal audit.
 - 3) Review the Company on the compliance with the Securities and Exchange Act, the regulations of the SET, and law related to the Company's business.
 - 4) Consider, select and propose an independent auditor of the Company and the auditor's remuneration and attend the meeting with the auditor at least once a year.
 - 5) Consider related transactions or transactions that may have conflict of Interest to ensure the compliance with law and regulations of the SET to create confidence that the said transactions are reasonable and maximize benefits to the Company.
 - 6) Provide the audit committee's report by disclosing in the annual report of the Company. The report must be signed by the chairman of the audit committee and must consist of at least following information:
 - A) Opinion on the accuracy, completeness, reliability of the financial report of the Company.
 - B) Opinion on the sufficiency of the internal control system.
 - C) Opinion on the compliance with the Securities and Exchange Act, the regulations of the SET, and law related to the Company's business.
 - D) Opinion on the appropriation of auditor.
 - E) Opinion on the report that may have conflict of interest.
 - F) The number of meeting times of the audit committee and attendance of each audit committee
 - G) Opinion or overall comment that the audit committee receives from roles and responsibilities according to the charter.

H) Other transactions that is considered that shareholders or general investors should know under the duties and responsibilities assigned from the board of directors.

7) Perform any actions according to the assignment from the board of directors.

With the approval from the audit committee in performing the duty according

to paragraph one, the audit committee is still responsible for the Company's to the third party (revision according to the resolution of the board of directors' meeting No. 2/2009 dated March 17, 2009).

3. Components of
Audit Committee

- (1) To be the director of the Company
- (2) To have at least 3 people
- (3) At least 1 of auditing committee must have accounting or financial knowledge

4. Appointment

- (1) To be appointed by consensus of the board of directors' meeting

5. Terms

3 years

Board of Directors of the Company

Information as at December 31, 2016

| No. | Name list | | Position |
|-----|----------------|-----------------|---|
| 1 | Mr. Suthep | Liumsirijarearn | Independent Director and Chairman |
| 2 | Mr. Numchai | Lowattanatakul | Independent Director and Vice-Chairman |
| 3 | Mr. Patsak | Osathanugrah | Vice-Chairman |
| 4 | Mr. Chotiphun | Tiaviwat | Vice-Chairman |
| 5 | Mr. Krisada | Hutaserani | Independent director and Chairman of The Audit Committee |
| 6 | Mr. Trairat | Chatkaew | Independent director and member of The Audit Committee |
| 7 | Mr. Pacharasut | Sujarittanonta | Independent director and member of The Audit Committee |
| 8 | Mr. Anit | Osathanugrah | Director and Chief Executive Officer |
| 9 | Mr. Teerawit | Charuwat | Director |
| 10 | Mr. Kunpoj | Kittiratsiri | Director |
| 11 | Mr. Charnsak | Thanataecha | Director |
| 12 | Mr. Apichet | Bhusry | Director |

Authorized directors who oblige the Company according to the Company's affidavit are Mr. Anit Osathanugrah or Mr. Kunpoj Kittiratsiri or Mr. Patsak Osathanugrah, two out of three sign and affix the Company's seal.

7.2 Executives

1. Scope of duties - According to the scope and objectives specified by the board of directors.
2. Duties and responsibilities
 1. Support and provide advice to the board of directors.
 2. Support and provide advice to the management team.
 3. To be assigned and authorized of duties from the board of directors.
 4. To operate in the necessary matter related to the business operation

Executives

Name list of the management team on December 31, 2016 are as follows.

| No. | Name list | | Position |
|-----|----------------|---------------------------------|--|
| 1 | Mr. Anit | Osathanugrah | Chief Executive Officer |
| 2 | Mr. Cholan | Vongsing ⁽¹⁾ | Executive Vice President, General Administrative Service Group |
| 3 | Ms. Warangkana | Techaiya ⁽²⁾ | Executive Vice President, Financial and Accounting Group |
| 4 | Ms. Kulthida | Verathaworn ⁽³⁾ | Executive Vice President, Project Management Group |
| 5 | Mr. Ekkawit | Kaewwichian ⁽⁴⁾ | Legal Department Manager |
| 6 | Mr. Nod | Kroekritvanit ⁽⁴⁾ | General Administrative Department Manager |
| 7 | Ms. Salisa | Srithongchat ⁽⁴⁾ | Marketing Department Manager |
| 8 | Mr. Chatchai | Amornritvanich ⁽⁴⁾ | Finance Analyst and Business Development Department Manager |
| 9 | Ms. Lucksaporn | Sangdounsriwilai ⁽⁵⁾ | Financial Division Manager |
| 10 | Ms. Wanna | Pongpho ⁽⁵⁾ | Accounting Division Manager |

Note: No. (1) – (5) is the executives according to the definition of the SEC

Directors and management team of the Company have specified as follows.

- To have complete qualifications and not be a person with prohibited qualities according to the Securities and Exchange Act or according to the criteria that the SEC has specified.
- Not be a person violating the regulation, rules, announcement, order of the board's resolution or the agreement of the registration on the SET which might have serious impact to the benefits or decision-making of the shareholders and investors or the change in the price of the security.

The Board of Directors of Subsidiaries

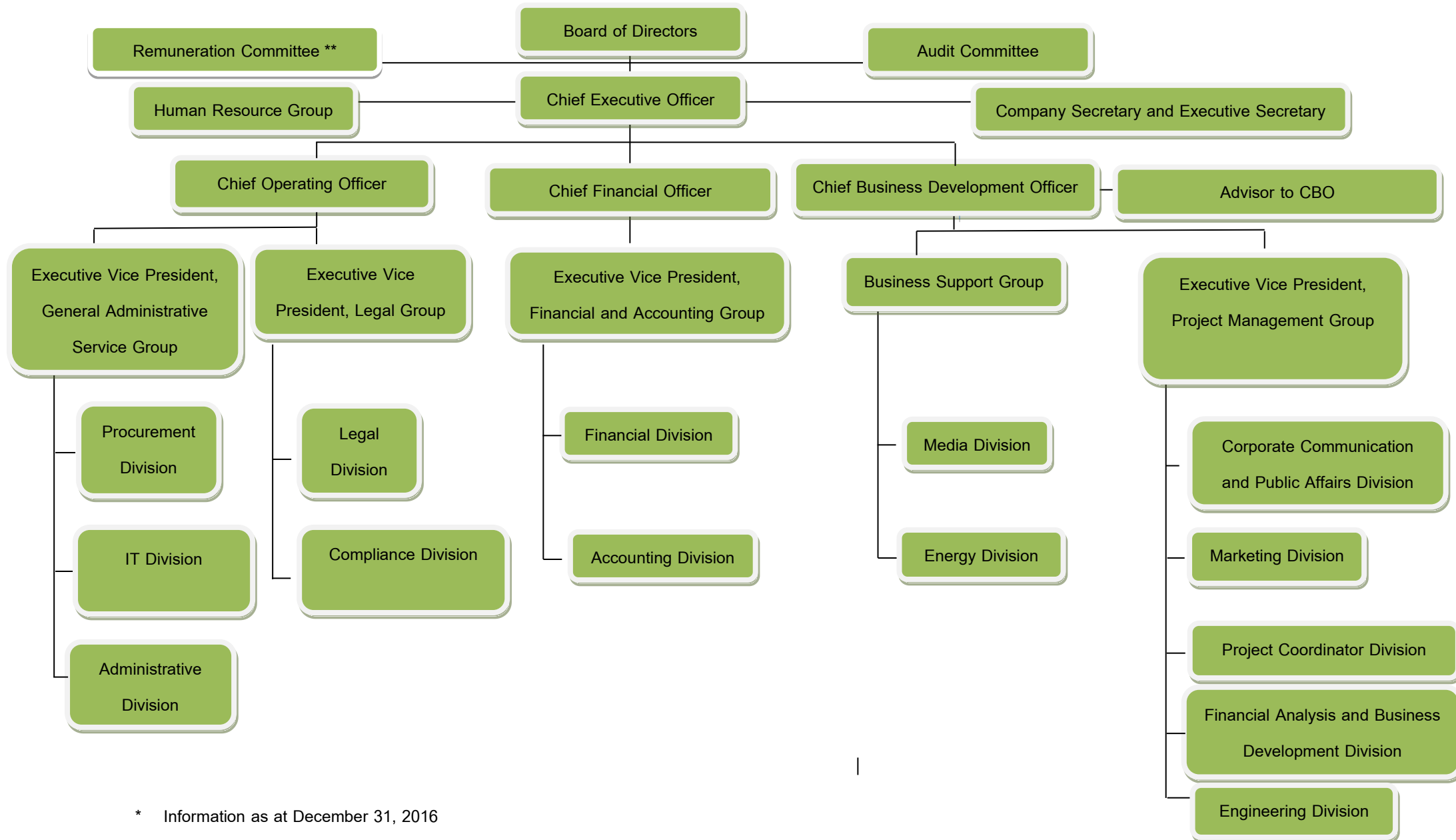
| Company | No. | Name list | Position |
|-------------------------|-----|-----------------------------|----------|
| Demeter Power Co., Ltd. | 1 | Mr. Anit Osathanugrah | Director |
| | 2 | Mr. Chatchai Amornritvanich | Director |
| | 3 | Mr. Nat Kongpanichkul | Director |
| Demeter Media Co., Ltd. | 1 | Mr. Cholapan Vongsing | Director |

The Authorization in the Subsidiaries, Associate and Related Company of the Management

| Name | Company | Subsidiaries : | | | Related : |
|----------------------------|---------|----------------|---------|--|-----------|
| | | D POWER | D MEDIA | Aukkarawat Plant Renewable Energies Co., Ltd. | None |
| Mr.Anit Osathanugrah | 2,3 | 2 | - | - | - |
| Mr.Nat Kongpanichkul | - | 2 | - | - | - |
| Mr.Chatchai Amornritvanich | - | 2,3 | - | - | - |
| Mr.Cholapan Vongsing | - | - | 2,3 | - | - |

Note: 1 = Chairman 2 = Director 3 = Executive Director

Organization Chart



* Information as at December 31, 2016

7.3 Company Secretary

The board of director passed the resolution to appoint Ms. Kulthida Verathaworn as the company secretary since September 1, 2016. The qualification of the company secretary is shown in the attachment 1.

7.4 Remuneration of directors and executives

(1) Remuneration in cash

The Company pays the remuneration for the directors and executives which include director meeting allowance and salary of executives. The details of the remuneration are as follows.

(1.1) Director meeting allowance from January 1, 2016 to December 31, 2016 was in the amount of Baht 1,188,000 and each director received the remuneration as follows.

| No. | Name | Amount (Baht) | The number of attendance/The number of meeting | Appointment Date (Resignation Date) |
|-----|------------------------------|------------------|--|-------------------------------------|
| 1 | Mr.Patsak Osathanugrah | 132,000 | 9/10 | 13/8/2014 |
| 2 | Mr.Chotiphun Tiaviwat | 108,000 | 10/10 | 13/8/2014 |
| 3 | Mr.Varanyu Suchivoraphanpong | 12,000 | 1/1 | 13/8/2014 (26/2/2016) |
| 4 | Mr.Apichet Bhusry | 96,000 | 9/10 | 12/5/2015 |
| 5 | Mr.Troy Andrew Schooneman | 48,000 | 4/4 | 12/5/2015 (30/6/2016) |
| 6 | Mr. Anit Osathanugrah | 108,000 | 10/10 | 4/9/2014 |
| 7 | Mr.Jenvit Jivakulchainan | 48,000 | 4/4 | 12/5/2015 (30/6/2016) |
| 8 | Mr.Krisada Hutaserani | 72,000 | 7/8 | 30/4/2015 (22/4/2016), 13/7/2016 |
| 9 | Mr.Trairat Chatkaew | 108,000 | 9/10 | 30/4/2015 |
| 10 | Mr.Takorn Laohapongchana | 12,000 | 1/9 | 23/12/2014 (15/12/2016) |
| 11 | Ms.Pinratee Suwannan | 24,000 | 2/2 | 29/4/2016 (9/8/2016) |
| 12 | Mr.Suthep Liumsirjarern | 144,000 | 8/10 | 13/11/2015 |
| 13 | Mr.Numchai Lowattanatakul | 108,000 | 9/9 | 26/2/2016 |
| 14 | Mr.Teerawit Charuwat | 60,000 | 6/6 | 13/7/2016 |
| 15 | Mr.Kunpoj Kittiratsiri | 48,000 | 5/5 | 10/8/2016 |
| 16 | Mr.Chamsak Thanataecha | 48,000 | 5/5 | 10/8/2016 |
| 17 | Mr.Pacharasut Sujarittanonta | 12,000 | 1/1 | 16/12/2016 |
| | Total | 1,188,000 | | |

(1.2) The salary of executives from January 1, 2016 to December 31, 2016 was in the amount of Baht 23,067,610.02.

(1.3) The meeting allowance of audit committee

From January 1, 2016 to December 31, 2016, the 4 audit committee received the remuneration as meeting allowance from the Company in the amount of Baht 192,000 with the details as follows.

| No. | Name | Amount (Baht) | The number of attendance/The number of meeting | Appointment Date (Resignation Date) |
|-----|------------------------------|----------------|--|-------------------------------------|
| 1 | Mr.Krisada Hutaserani | 96,000 | 4/4 | 30/4/2015 (22/4/2016), 13/7/2016 |
| 2 | Mr.Trairat Chatkaew | 72,000 | 5/5 | 30/4/2015 |
| 3 | Mr.Takorn Laohapongchana | 24,000 | 2/5 | 23/12/2014(15/12/2016) |
| 4 | Mr.Pacharasut Sujarittanonta | - | 0/0 | 16/12/2016 |
| | Total | 192,000 | | |

Note: The Company has the policy on the remuneration directors and audit committee clearly and transparently, and also has received the approval from the shareholders' meeting.

(2) Other remuneration that is not money

- None -

7.5 Personnel

The Company has the total personnel of 28 people. From January 1, 2016 to December 31, 2016, the Company has paid to the employees in the amount of Baht 30,607,537.18 including salary and overtime. In addition, subsidiaries have paid to the employees in the amount of Baht 4,941,596.11.

The number of employees and remuneration

| January 1, 2016 to December 31, 2016 | DCORP | D ICT* | D POWER** | D MEDIA*** |
|--------------------------------------|---------------|------------|-----------|--------------|
| Executives | 8 | 1 | 0 | 2 |
| Staffs | 20 | 6 | 1 | 5 |
| Total (people) | 28 | 7 | 1 | 7 |
| Remuneration (Baht) | 30,607,537.18 | 411,198.86 | 3,060,500 | 1,469,897.25 |

Note * As at February 29, 2016

** As at October 31, 2016

*** As at April 30, 2016

Other remuneration that is not money

- None -

The Company has no significant change on the number of employees and there is no labor dispute in the past 3 years. The Company has the policy on career development by supporting on training and practicing the skill regularly every year.

8. Corporate Governance

8.1 Policy

Demeter Corporation Public Company Limited has defined the guidelines and good corporate governance to be consistent with the Organization for Economic Co-operation and Development (OECD) and also include the guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand, which cover 5 principles as followings.

1. Rights of shareholders

The board of directors recognizes the shareholders rights and avoid any actions that violates the rights and specify as the Company's policy and disclose publicly through various media of the Company to promote and encourage shareholders to exercise their rights both the fundamental rights under the law and the rights to receive important information such as the right to propose the agenda, the right to vote on the appointment and the remuneration of the auditor, the rights to propose the agenda of the shareholders meeting, the rights to elect directors, the rights to attend the AGM, and to submit questions in advance in the annual general meeting.

2. Equitable treatment of shareholders

The board of directors has established a policy to oversee the company's operations and protect the shareholders rights equitably and fairly such as the procedure on equitable voting rights both majority and minority in the shareholder's meeting, the guidelines for the disclosure equally, and the prevention of insider information to benefit himself and others wrongfully.

3. Role of stakeholders

The board of directors has established a policy to treat all stakeholders by considering the rights of stakeholders legally to be executed by the Board of Directors, management and employees at all levels. All stakeholders ensure that these rights will be protected and treated with equality. In addition, the policy also include the encouragement of cooperation between the Company and stakeholders to strengthen financial stability, environmental and social sustainability, information disclosure to all relevant parties through the SET according to the guidelines and within the prescribed period.

4. Disclosure and transparency

The board of directors realizes and give and important to the quality of information and equal, transparent, and fair disclosure through the accessible and reliable channels according to the SEC and the SET. In addition to the disclosure through the Annual Registration Statement (Form 56-1) and the Annual Report, most information have been disclosed at the Company's website, www.demetercorporation.com, both in Thai and English, which the interested shareholders and people can access easily. The information is disclosed regularly both positive and negative, as required by regulations, law, the Articles of Association, and the involved government agencies.

5. Responsibilities of the Board

The Company specifies the directors follow good practices for listed companies according to the Stock Exchange of Thailand. The board must understand and be aware of their roles and responsibilities and must act according to the law, objectives and the Articles of Association as well as the resolutions of the shareholders' meeting with integrity and considering the best interests of the Company and shareholders.

The structure of board of directors of the Company comprises independent directors more than one out of three of all current directors. The Company has the total of 11 directors, which are 5 executives and 7 non-executives (including the Chairman), including the Audit Committee for 3 persons. There is a segregation of duties between the Board and the management clearly. The Board of Directors is responsible for defining policy and overseeing the management. While, the management is responsible for managing the operations according to the policy, and for the sake of efficiency in the management of the Board of Directors. The board of directors consist of:

1. The Board of Directors

1.1 To operate business, the Company's board of directors shall have not less than five (5) directors elected by the shareholders' meeting with at least three (3) independent directors and not less than one-half (1/2) of total directors must be resident in the Kingdom. The directors must qualify under the laws and regulations. At least one (1) person must have accounting or finance knowledge.

Directors are prohibited to operate the same business and in competition with the Company or to be a partner in a partnership or an unlimited liability partner in a partnership limited or to be a director of another company both a company limited and a public company that operates the same business and in competition with the Company both for their own benefit or the benefit of others unless the directors shall inform the shareholders prior to their appointment as directors.

The Company must not pay any money or other assets to the directors unless the payment as a remuneration.

1.2 In every Annual General Meeting, the directors retire by rotation, one third (1/3). If the number of directors cannot be divided into three (3), then shall retire in the number nearest to one third (1/3). Unless the retirement according to the term stipulated in the articles, Chairman of the board or the directors shall retire when:

- (1) Dead
- (2) Resignation
- (3) The resolution of the shareholders' meeting
- (4) Disqualifications or prohibitions as specified in the law or regulations
- (5) Ordered by the court

2. Independent directors

Independent directors must have qualification and not have any prohibitions and also have qualification as defined by the Securities and Exchange Act and related regulations. Independent directors are independent from the management and the major shareholders of the Company.

The Board of Director Meeting

The Company has specified that the board of directors meeting must be at least once every three months. There may be additional meetings as necessary. In each meeting has set the agenda for the meeting clearly and the invitation letter and details shall be sent 7 days in advance so that the board has adequate time to prepare before the meeting. In addition, minutes of meeting shall be written and the certified minutes approved by the board of directors shall be kept and sent to the board of Directors and the related persons for verification.

Remuneration of directors and executives

The Company has set remuneration for the board and management at an appropriate level and at a comparable level to other companies in the same industry. Factors to be considered include experience, duties, roles and responsibilities. The Remuneration needs to be approved by the shareholders' meeting of the Company. The remuneration of the management shall be in accordance with the principles and policies set by the board, which is based on the obligations and responsibilities, the performance of each executive and the performance of the Company.

Development for directors and executives

The Board's policy is to promote and facilitate the training and knowledge to those involved in the governance of the Company, including the board of directors, audit committee, executives and corporate secretary in order to improve performance continuously, especially the training course of Thai Institute of Directors Association (IOD).

8.2 Sub Committees

The board of directors has appointed sub-committee to governance the Company as follows.

1) Audit Committee

The directors of audit committee need to complete following qualification.

1. Not hold more than 5 percent of the paid-up capital of the Company, subsidiaries, associated or related companies by including the shares held by related persons.

2. Not involve in managing operation of the Company, subsidiaries, associated, related companies or major shareholders of the Company.

Be the director who is not an employee or consultant who receives regular salary from the Company, subsidiaries, associated, related companies or major shareholders of the Company. For example, Chief Executive Officer is not be able to be the director of the audit committee since CEO is directly responsible for the management of the Company.

3. No conflict of interest both direct and indirect in the finance and the management of the Company, subsidiaries, associated, or major shareholders of the Company.

Be the director who has no conflict of interest as above in a period of one year before being appointed to the Audit Committee. Unless the Board of Directors has carefully considered that such conflict of interest will not affect the performance and the independent opinion.

4. Not relate to close relatives of the executives or major shareholder of the Company.

5. Not be appointed as a representative to protect the interests of the directors, major shareholders, or shareholders who are related to the Company's major shareholders.

Be able to perform and express an opinion or report on the performance according to duties assigned by the board and not being influenced by of the executives or major shareholder of the Company and persons who are close relatives of such person.

Currently, there are 3 directors of the audit committee.

| No. | Name | Position |
|-----|------------------------------|--|
| 1 | Mr.Krisada Hutaserani | Independent director and Chairman of The Audit Committee |
| 2 | Mr.Trairat Chatkaew | Independent director and member of The Audit Committee |
| 3 | Mr.Pacharasut Sujarittanonta | Independent director and member of The Audit Committee |

Note: - Audit committee No. 1 has sufficient knowledge and experience in order to review the reliability of the financial statement

- Audit committee has the position term of 3 years

2) Management Committee

To achieve maximum efficiency in the management of the Company according to the direction, policies and objectives set and assigned by the board of directors as well as the stability and sustainability of the business, the board of directors has approved the establishment of the Management Committee, which qualify under the Public Limited Companies Act 2535 and the regulation of Securities and Exchange Commission, to supervise and be responsible for the various activities under the scopes assigned by the Board of Directors.

8.3 The Selection and Appointment of Directors and Executives

The appointment of directors

The Company's directors have been appointed through the shareholders' meeting as guidelines and procedures as follows.

(1) One shareholder would have the voting rights equally to the number of shares held

(2) Each shareholder will use all voting rights according to (1) to elect one or more people as directors but could not give the voting rights to any person

(3) Person who receives the highest vote in sequent will be elected as directors equally to the number of directors which will have or will be elected in that time. In the case that elected persons in the next order with the same voting score have more than the number of directors would have or would be elected in that time. The chairman in that meeting will have a decisive vote.

In the case that the position is vacant due to reasons other than retirement by rotation, the board may elect a qualified person without prohibition according to the regulations, to replace in the vacancy in the board of directors' meeting at the next time. Unless, the term of the vacancy is less than two (2) months, the person who replaces in such vacancy will be in the position only for the remaining term of the director he replaces.

The resolution of such appointment must consist of not less than three quarters (3/4) of the remaining directors.

The selection of executives

In recruiting senior executive positions, the Executive Committee is responsible for a primary consideration in screening candidates, who have the required qualifications, knowledge, skills and experience to benefit the operations of the Company and well understand the business of the Company to be able to manage to achieve the objectives and goal set by the Board of Directors. The Executive Committee will propose to the Board for approval.

8.4 Governing the Operations of Subsidiaries and Associated Companies

For subsidiaries, the Company will send executives into the company as a shareholder and director according to the board's resolution to control the management of the subsidiary for not less than one half of the total directors. This is to ensure that the business operation is in accordance with the Company's policy.

For associates, the Company will send executives into the company as directors based on the proportion of shareholding for controlling such associates. A director as a representative of the Company must receive a policy from the Company according to the resolution of the board.

Based on good corporate governance principles as well as compliance with the rules of connected transactions and the acquisition or disposition of assets, the accuracy and reliability of data and financial reporting, the Company can review and collect data to prepare the consolidated financial statements on time as well as providing an adequate internal control system in the same manner as the Company's regulations.

8.5 Controlling the Use of Inside Information

The Company particularly focused on the use of inside information of the Company by following the principles of corporate governance and complying with related regulation. The Company has specified that directors, executives and staff need to focus on keeping confidential information; for example, inside information that has not been disclosed to the public, or information that has an impact on the business or share price. The guidelines are as below.

- Directors, executives and staff must not use inside information of the Company to get personal benefit and to operate in competing with the Company or operating related businesses
- Directors, executives and staff must not use non-publicly disclosed information that could have an impact on share price (insider information) and must refrain from transactions on the shares of the company 1 month before the financial result or important information is announced publicly in accordance with the policy. In addition, the internal information should not be given to any other person for the share trade benefits. Related persons

include spouses and children of directors, management and employees of the Company. Anyone who violates shall be punished as defined.

- Directors, executives and staff must not disclose business confidential of the Company to external persons especially the Company's competitor despite after the resignation of the director, executive or staff of the company.

8.6 Remuneration of the Auditor

The Company has auditors who have been approved from the SEC and the SET to be auditors of the company for the year 2016 as followings.

| No. | Name of Auditor | Registration No. | Name of Audit Company |
|-----|----------------------------|---------------------------|-----------------------|
| 1 | Ms. Kannika Wipanurat | CPA Registration No. 7305 | Karin Audit Co., Ltd. |
| 2 | Mr. Jirote Sirirorote | CPA Registration No. 5113 | Karin Audit Co., Ltd. |
| 3 | Ms. Nonglak Pattanabandith | CPA Registration No. 4713 | Karin Audit Co., Ltd. |
| 4 | Mr. Jadesada Hungsapruet | CPA Registration No. 3759 | Karin Audit Co., Ltd. |

The remuneration the Company and subsidiaries have paid to Karin Audit Co., Ltd. are detailed as attachment 6.

8.7 Anti-corruption policy

The Company realizes that the business operation with a transparent and honest manner in accordance with the law and good corporate governance is an important factor in supporting the Company's business. Therefore, the Company specifies an anti-corruption policy to be used as a guidance for all levels involved to practice. The significant matters are as follows.

Anti-corruption policy

1. Objectives

Demeter Corporation Public Company Limited ("Company") commits to operate business with transparency, fairness in compliance with the law and good corporate governance. The Company realizes that honesty is a key factor in fostering reputation and supporting the Company's business. Therefore, the Company specifies an anti-corruption policy to be used as a guidance for the operation.

2. Duties and Responsibilities

2.1 The Board of Directors passed the resolution on the policies of the anti-corruption and the governance of business operation.

2.2 The Board of Directors is governing the practice of anti-corruption.

2.3 The Company and all level of staff follow the anti-corruption policy, Code of Conduct, relevant legal requirements, business ethics and employees' ethics.

3. Scope and Guidelines

The Company concerns on the prevention of misuse of duties for himself or others in the following matters:

3.1 Bribes and Incentives

Do not give or accept bribes and incentives in any form and do not delegate them to others to take bribes and incentives on behalf of themselves.

3.2 Gifts and Benefits

Do not give or accept gifts including any other benefits to motivate the wrong practice or ignorance of duties or to lead to the compromise of business agreement in inappropriate manner. And to comply with the guidelines set forth in the employees' ethics.

3.3 Donation to Charity and Money Contribution

Donation to charity and money contribution must be transparent and not against the law and morals.

3.4 Activities and political participation

The Company will not use its funds or resources to support politics, contestants as politicians or any political parties for political campaign or political activities unless such sponsorship is legally permitted and supports democracy as a whole. It must be approved by the Company before practice.

4. Risk Management

The Company arranges for the risk management of the misuse of duties to ensure that such risk can be prevented or controlled by identifying the assessment, control and monitoring, and reporting such risk according to the Company's policy and risk management process.

5. Internal Control

The Company provides the governance the company's business operation and good control culture by assessing a significant risk, defining effective control activities, and segregating of duties appropriately, as well as providing sufficient reliable information systems and evaluation of internal controls regularly.

6. Human Resource Management, Communication and Training

The Company gives an important in effective human resource management and there is a communication to educate and train on the anti-corruption policy and relevant practices consistently in order to encourage people to understand and practice properly.

7. Receipt of Information and Complaint

The Company provides channels for receiving information, suggestion, or complaint to the Board of Directors. The Company will assign the independent agency to audit the adequacy and appropriateness of fact finding process to ensure transparency and fairness of practices.

8. Penalty

Violation or non-compliance with the anti-corruption policy is a violation of the Company's orders and / or regulations. This may result in disciplinary action as determined by the Company.

9. Corporate Social Responsibility: CSR

Demeter Corporation Public Co., Ltd has placed importance to the social responsibility of the organization by determining to operate the activities and various projects for the society continuously. By realizing the responsibility of the overall society, there are several projects that provide help and support activities that are useful to society.

In the past, the Company has operated an activity on promoting and supporting the treatment of patients who lack of money and also has supported and donated money and stuffs to less fortunate people in rural area. In addition, the Company focuses on cultivating a good value to employees so that they would have a volunteer mind and to be responsible for the society of the business organization. The Company has promoted employees to participate in the CSR activity and to publicize a good image of an organization to the public.

The various activities operated inside and outside the organization according to the policy, it is an important to have cooperation of employees because employees of the Company is an important key that helps the projects achieve as the specified objective.

Activity for society in the year 2016 the Company has arranged an activity as follows.

- As at March 6, 2016, the Company and other organizations gave 100 bicycles and 100 blankets to the children under the patronage of Pra Ajarn Phob Chok Ti Sa Wuang So, Abbot of Wat Hyua Pla Kang, Rimkok Sub-District, Muang District, Chiang Rai.

CSR in Employee' Perspective

The Company has realized that all employees are the most important resource of the Company. Therefore, the Company gives an importance on the personal development, remuneration and opportunity in career path by supporting the development of the knowledge and ability of employees continuously.

10. Internal control and risk management

Internal control system of the Company

The Company has realized the importance of efficient and effective internal control by preparing operating procedure in written. Moreover, the board has placed an importance on internal control system and risk management continuously by assigning to the audit committee which includes independent directors to review the assessment of internal control system. An outsourcing internal audit, which is independent from the management, reports to the audit committee and review the work operation of all departments according to the annual audit plan that has been approved from the audit committee. The objectives are to ensure that the work operation is efficient and effective, and to have the review on the efficiency of the internal control system regularly on quarterly basis. The Committee of Sponsoring Organizations of the Treadway Commission: COSO defines the 5 necessary factors of internal control including:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information & Communication
- (5) Monitoring Activities

As the board of directors' meeting no. 2/2016 held on March 15, 2016 passed the resolution to appoint The Best Solution Partnership Limited to audit the internal control of the Company for the year 2015. The Best Solution Partnership Limited has evaluated and verified the internal control of the Company on the inspection and the evaluation of the internal control in the organizational level, and the inspection and the evaluation of the internal control in an operating level which covers the main business activities of the Company such as purchasing transaction, selling transaction, cash received transaction and payment transaction etc.

In addition, in the case that the Company has expanded its business to grow as same as the current business in the future. The internal control system is still sufficient since the reporting transactions of the Company is not complicated. Also, the Audit Committee of the Company is responsible for the review on the appropriation of Company's internal control system and internal audit. There is a segregation of duty clearly between the accounting and finance department.

11. Related Transactions

11.1 The Company has no conflict of interest according to the rules stipulated by the Capital Market Commission

The Company has accounting transactions with persons and related companies for the period ended December 31, 2016 as follows.

Summary of related transactions of the Company with persons who may have conflict of interest for the period ended December 31, 2016

| Company/ Related Parties | Relation | Description | Amount 2015 (Baht) | Amount 2016 (Baht) | Audit Committee's Opinion Rationale and Necessity |
|--------------------------------------|--|-------------------------------|-----------------------|-----------------------|--|
| Demeter Media Co., Ltd. (D MEDIA) | A subsidiary. Shareholding of the Company and co- directors are as followings: | Income from rent and services | | | |
| | 1. Demeter Corporation Public Co., Ltd. | - Trade receivable | 997,050.00 | 452,350.00 | - Trade receivables from rental contracts with asset and office equipment and the contracts to support accounting / finance / personnel. The terms of the contract price is based on an agreed contract and comparable to transactions with non-related third party. |
| | No. of shareholding 479,998 shares | | | | |
| | % of shareholding 99.9996 | | | | |
| | 2.Mr. Apichet Bhusry | | | | |
| | No. of shareholding 1 share | | | | |
| | % of shareholding 0.0002 | | | | |
| | 3. Mr. Anit Osathanugrah | | | | |
| | No. of shareholding 1 share | | | | |
| | % of shareholding 0.0002 | | | | |
| | | Rent and service | | | |
| | | - Trade payable | 3,250,000.00 | 1,600,000.00 | - Payable from administration and management contract. The terms of the contract price is based on an agreed contract and comparable to transactions with non-related third party. |

| Company/ Related Parties | Relation | Description | Amount 2015 (Baht) | Amount 2016 (Baht) | Audit Committee's Opinion Rationale and Necessity |
|--|---|--|-----------------------|-----------------------|--|
| Demeter Power Co., Ltd. (D POWER) | <p>A subsidiary. Shareholding of the Company and co- directors are as followings:</p> <p>1. Demeter Corporation Public Co., Ltd.</p> <p>No. of shareholding 8,499,998 shares</p> <p>% of shareholding 99.99998</p> <p>2. Mr. Apichet Bhusry</p> <p>No. of shareholding 1 share</p> <p>% of shareholding 0.00001</p> <p>3. Mr. Anit Osathanugrah</p> <p>No. of shareholding 1 share</p> <p>% of shareholding 0.00001</p> | <p>Income from rent and services</p> <p>- Trade receivable</p> | 244,005.00 | 405,760.00 | - Trade receivables from rental contracts with asset and office equipment and the contracts to support accounting / finance / personnel. The terms of the contract price is based on an agreed contract and comparable to transactions with non-related third party. |
| Demeter ICT Co., Ltd. จำกัด (D ICT) | <p>A subsidiary. Shareholding of the Company and co- directors are as followings:</p> <p>1. Demeter Corporation Public Co., Ltd.</p> <p>No. of shareholding 999,998 shares</p> <p>% of shareholding 99.9998</p> | <p>Income from rent and services</p> <p>- Trade receivable</p> | 572,828.00 | 126,790.00 | - Trade receivables from rental contracts with asset and office equipment and the contracts to support accounting / finance / personnel. The terms of the contract |

| Company/ Related Parties | Relation | Description | Amount 2015 (Baht) | Amount 2016 (Baht) | Audit Committee's Opinion Rationale and Necessity |
|--------------------------------------|---|---|-----------------------|--|--|
| | <p>2. Mr. Anit Osathanugrah</p> <p>No. of shareholding 1 share</p> <p>% of shareholding 0.0001</p> <p>3. Mr. Apichet Bhusry</p> <p>No. of shareholding 1 share</p> <p>% of shareholding 0.0001</p> <p><u>Note</u></p> <p>On March 15, 2016, the Company sold the investment in this subsidiary to third parties which resulted the loss of the significant control in the subsidiary.</p> | <p>Rent and service</p> <p>- Trade payable</p> | 180,771.00 | 44,803.00 | <p>price is based on an agreed contract and comparable to transactions with non-related third party.</p> <p>- Payable from administration and management contract. The terms of the contract price is based on an agreed contract and comparable to transactions with non-related third party.</p> |
| Demeter Capital Co., Ltd. (D CAP) | <p>A subsidiary. Indirect share held by a subsidiary and co- directors are as followings:</p> <p>1. Demeter Power Co., Ltd.</p> <p>No. of shareholding 199,997 shares</p> <p>% of shareholding 99.9985</p> | - | - | Registered capital of Baht 1,000,000, 200,000 shares of Baht 5 each. | To operate leasing business |

| Company/ Related Parties | Relation | Description | Amount 2015 (Baht) | Amount 2016 (Baht) | Audit Committee's Opinion Rationale and Necessity |
|--------------------------|--|-------------|-----------------------|--|--|
| | <p>2. Mr. Jenvit Jivakulchainan</p> <p>No. of shareholding 1 share</p> <p>% of shareholding 0.0005</p> <p>3. Mr. Anit Osathanugrah</p> <p>No. of shareholding 1 share</p> <p>% of shareholding 0.0005</p> <p>4. Mr. Apichet Bhusry</p> <p>No. of shareholding 1 share</p> <p>% of shareholding 0.0005</p> <p><u>Note</u></p> <p>On September 1, 2016 the Company closed a subsidiary</p> | | | | |
| Winchai Co., Ltd. (WIND) | <p>An associate. Share held by a subsidiary, Demeter Power Co., Ltd. in the amount of 25 percent</p> <p><u>Note</u></p> <p>On September 29, 2016, Demeter Power Co., Ltd. sold its investment in associated to third parties.</p> | - | - | <p>The Company purchased 12,500 shares, equivalent to 25 percent of registered capital of WIND, totaling</p> | <p>To support the investment of the Company's energy business.</p> |

| Company/ Related Parties | Relation | Description | Amount 2015 (Baht) | Amount 2016 (Baht) | Audit Committee's Opinion Rationale and Necessity |
|--|---|---|-----------------------|--|---|
| | | | | value of Baht 195,940,000 | |
| Aukkarawat Plant Renewable Energies Co., Ltd. | A subsidiary. Share held by Demeter Corporation Public Co., Ltd. in the amount of 16.40 percent (as at December 31, 2016) and within July 2017 the Company will hold share of 50 percent. | - | - | The Company purchased 8,200 shares of Aukkarawat, equivalent to 16.40 percent of total share of Aukkarawat, totaling value of Baht 36,078,245. | To operate a business of production and distribution of electricity from renewable energy by using biogas produced by wastewater, which is the result of the sugar production process of the sugar factory in the vicinity of the power plant. It is the raw material for electricity generation. |
| GCT Media Co., Ltd. | Co-director (Since August 10, 2016) | Income from advertising - Trade receivable | - | 15,101,590.84 | - Normal trade receivable |

Audit Committee's Opinion

The Audit Committee considered the related transactions of the Company and its subsidiaries with persons who may have conflict of interest. The Audit Committee gave the opinion that the related transactions are in line with normal commercial terms. Such transactions are reasonable and there is no benefit sharing between the Company, its subsidiaries and any persons who may have conflict of interest.

11.2 The guideline of the company in the case there is a related transaction in the future

Nowadays, the Company has no policy on entering into any related transaction in the future in written. However, the Company has complied with the Security and Exchange Act and regulation, announcement, order or specification of the Capital Market Supervision Commission and Stock Exchange of Thailand including the compliance on disclosing related transactions of the Company according to the accounting standard specified by the Federation of Accounting Professions.

Moreover, in the past few years in the case there was a related transaction between the Company and people who might have conflict of interest or might have conflict of the interest in the future, the audit committee will consider and provide opinion on a necessity and rational in entering into a transaction. In addition, the suitability on the price and conditions must be according to the normal business operation characteristics in the industry and there is a price comparison of outsiders or the market price before proposing to the Company's board of directors or the shareholder meeting of the Company. If the audit committee has no expertise in considering a related transaction that might happen, the Company shall arrange for an independent experts who would provide opinions on the said transaction in order to be used in the decision-making of the audit committee, the board of directors and the shareholder meeting. The directors or executives who have conflict of interest will not have the voting rights in the said transaction.

The Company will disclose the related transactions in the Annual Registration Statement, the Annual Report, and notes to financial statements that has been audited or reviewed by an auditor of the Company.

Part 3

Financial Position and Operating Performance

12. Important Financial Information

Economic and Industrial Conditions Affecting Media Business

Since December 1, 2010, the Company has conducted a new business which is satellite television. The Company has received the right in procuring and/or producing television programs and/or to enter into the program co-production contract with television program co-producers for 8 satellite television stations from MVTV for the first time and on June 8, 2013, the Company has received the right in procuring and/or producing television program and/or to enter into the program co-production contract for another 8 stations (contract period of 10 years) from MVTV for the second time, totaling of 16 stations. In 2010, the starting period of contract is the time of high growth of satellite TV with high demand on satellite TV channels. The company had good performance until mid-2014, when Digital TV channels evolved, increasing huge competition in the industry. In addition, strict regulations on satellite TV was in place in 2015, as well as changes in technology and consumer behavior who consumed internet and social network contents instead. As a result, sale of advertisement on the satellite TV channels, where there are over a hundred channels, was difficult. This caused the termination of contracts from some customers and some defaulted on payments. Also, the income of channels had decreased significantly and continuously due to the rise in competition. These situations had highly impacted the company's operation on the satellite TV. The management considered that the satellite TV business is not a profitable business as in the past and needs to find solution to reduce future losses on the satellite TV business. The best solution that resulted minimum expense obligation to the Company is to negotiate with MVTV to terminate two co-production agreements, which the Company has the commitment over the contract period amounting to Baht 778.35 million (included VAT).

On August 26, 2015, the Company signed an agreement for early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels according to the co-production agreement dated June 8, 2013. Under terms and conditions of the agreement, the Company had deposited an amount of Baht 46,197,401 to guarantee the termination and agreed to compensate such amount for the termination of agreement effectively on October 31, 2015. The Company had written off the right in management of the said 8 channels in the amount of Baht 31.62 million.

On November 17, 2015, the Company signed an agreement for early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels by gradually termination for 2 channels effectively from March 31, 2016 to November 15, 2016 according to the co-production agreement dated November 29, 2010. Under terms and conditions of the agreement, the Company had agreed to pay the compensation for early contract termination in amount of Baht 57,550,946. The Company had written off the right in management of the said 8 channels in the amount of Baht 20.27 million. Subsequently on February 25, 2016, the Company signed an agreement for early termination (cancel conditions on gradually termination of the television programs) with M.V. Television (Thailand) Co., Ltd. to cancel conditions on gradually termination of the

television programs according to the agreement of early termination dated November 17, 2015 and to agree the termination of the said 8 satellite television channels to be effective within March 31, 2016. The Company has agreed to pay the compensation for contract termination in the amount of Baht 15,807,684.

Economic and Industrial Conditions Affecting Alternative Energy Business

The Company's strategy focuses on investing in renewable energy. Last year, the Company has signed a memorandum of understanding with investors in Philippines to consider an investment in a solar power plant project in Philippines and has invested in the biogas power plant project in Suphanburi operated by **Aukkarawat Plant Renewable Energies Co., Ltd.** ("Aukkarawat"), with total value not exceeding Baht 290 million, with a total capacity of 4.9 megawatts. The Company aims to be a provider of alternative energy in all categories both domestically and internationally by focusing on sustainable projects, no adverse effect on the environment and providing high returns to secure and sustain the Company and its shareholders. In order to achieve that goal, the Company will conduct the study in related work to support the expansion of alternative energy business in the future.

The financial statements for the year 2015, the auditor give the unqualified opinion with additional significant matters as followings:

1. Notes to financial statements 12.2, the Company has invested in Winchai Company Limited's common shares. As at October 12, 2015 the Company is considering the business's fair value, and has assigned the independent appraiser to evaluate such business fair value. At the date of approved financial statements, the Company is considering such information. Accordingly, the fair value of assets and liabilities acquired as at the date of acquisition value estimate may be adjusted as discussed on note 12.2.
2. As discussed in the notes to the financial statements in note 1.2, note 15.2 and note 32.1, the Company has canceled the satellite television co-production broadcasting rights to reduce the contractual obligation to pay compensation for a period long. The Company must pay damages due to the cancellation of these contracts amounting Baht 203.78 million and the Company has recorded losses in the financial statements and as described in the notes to the financial statements in note 15.1, on January 30, 2016, the Company has been engaged into an agreement relating to the purchase of right to manage the broadcasting time with a company of Baht 369.2 million and the such company has agreed to guarantee a minimum income to the Company as stated in the agreement. On November 11, 2015, the Company has entered into debt restructuring agreement to establish rules and procedures for the payment of the debt and debt of upcoming contractual rights of broadcasting time management. The Company has considers that it should not been recognized revenue under the contract described in the financial statements. The Company will recognize revenue for accounting when has received payment. In addition, the Company has determined the allowance for impairment of the carrying value net for the whole amount.

Note 1, the Company is required to comply with TFRS 3 which requires the acquirer to recognize the acquired assets and liabilities at fair value on the acquisition date. The measurement must not exceed one year

from the date of purchase. As of the date this consolidated financial statements was approved. The Company's financial position and performance have not been affected.

Note 2, due to the restructuring plan and the disposal of non-generating income businesses by 2015, the Company has terminated the program co-production contract for 16 satellite television channels to lessen the contractual obligation to pay long-term compensation including the impairment of intangible assets and non-revenue from the Broadcasting Right Purchase Agreement on 5 satellite TV channels. Due to huge competition in the TV business and changes in media's consumer behavior, the Company's operating results were affected by the compensation and amortization from the termination of the agreement before the due date, amounting to Baht 203.78 million and the loss from the written-off of broadcast rights management on 5 satellite TV channels amounting to Baht 246.29 million.

The financial statements for the year 2016, the auditor give the unqualified opinion with the additional significant matter as followings:

1. Note 13.2, the Company has invested in Aukkarawat Plant Renewable Energies Company Limited's common shares. As at December 30, 2016, the Company is considering the business's fair value, and has assigned the independent appraiser to evaluate such business fair value. At the date of approved financial statements, the Company is considering such information. Accordingly, the fair value of assets and liabilities acquired as at the date of acquisition value estimate may be adjusted.

Note 1, the Company is required to comply with TFRS 3 which requires the acquirer to recognize the acquired assets and liabilities at fair value on the acquisition date. The measurement must not exceed one year from the date of purchase. As of the date this consolidated financial statements was approved. The Company's financial position and performance have not been affected.

In 2016, the Company's consolidated financial statements comprises five subsidiaries, Demeter Media Co., Ltd., Demeter ICT Co., Ltd., Demeter Capital Co., Ltd., Demeter Power Co., Ltd., and Aukkarawat Plant Renewable Energies Co., Ltd. The financial statements and the operating performance for the year ended December 31, 2016 are shown as conclusion and comparison with the consolidated statements of financial position, the consolidated statements of comprehensive income, and the consolidated statements of cash flows as followings:

Table conclusion of the statements of financial position, the statements of comprehensive income, and the statements of cash flows of the Company for the year 2014-2016

Demeter Corporation Public Co., Ltd and Subsidiaries

The Statements of Financial Position

| Description | 2016 | | | | 2015 | | | | 2014 | |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Consolidated | | Separate | | Consolidated | | Separate | | Separate | |
| | Million baht | % | Million baht | % | Million baht | % | Million baht | % | Million baht | % |
| Cash and cash equivalents | 17.85 | 1.81 | 15.06 | 1.55 | 90.71 | 8.57 | 38.14 | 3.60 | 147.30 | 46.90 |
| Short-term investments | 582.40 | 59.18 | 516.05 | 52.95 | 502.07 | 47.42 | 502.07 | 47.42 | - | - |
| Trade - subsidiaries and related parties - net | - | - | 0.12 | 0.01 | - | - | 0.23 | 0.02 | - | - |
| Other receivable - net | 5.72 | 0.58 | 2.78 | 0.29 | 29.02 | 2.74 | 24.67 | 2.33 | 25.81 | 8.22 |
| Current portion of hire- purchase contract receivables | 12.31 | 1.25 | 12.31 | 1.26 | - | - | - | - | - | - |
| Short-term loans and interest receivable to related parties | - | - | - | - | - | - | 151.58 | 14.31 | - | - |
| Advance payment - co- production | - | - | - | - | 4.95 | 0.47 | 4.95 | 0.47 | 4.95 | 1.57 |
| Other current assets | 68.82 | 7.00 | 67.60 | 6.93 | 70.09 | 6.62 | 65.66 | 6.20 | 44.1 | 14.04 |
| Total current assets | 687.10 | 69.82 | 613.92 | 62.99 | 696.85 | 65.82 | 787.30 | 74.35 | 222.16 | 70.73 |
| Hire-purchase contract receivables | 85.89 | 8.73 | 85.89 | 8.81 | - | - | - | - | - | - |
| Investment in associates | - | - | - | - | 171.18 | 16.17 | - | - | - | - |
| Investments in subsidiaries, at cost method | - | - | 141.73 | 14.54 | - | - | 109.12 | 10.30 | - | - |
| Property, plants and equipment - net | 50.18 | 5.10 | 29.19 | 3.00 | 62.11 | 5.87 | 33.95 | 3.21 | 7.01 | 2.23 |
| Investment property | 24.55 | 2.49 | - | - | - | - | - | - | - | - |
| Goodwill | 32.50 | 3.30 | - | - | - | - | - | - | - | - |
| Intangible asset - net | 38.94 | 3.96 | 38.94 | 4.00 | 127.94 | 12.08 | 127.94 | 12.08 | 59.11 | 18.82 |
| Other non-current assets | 65.01 | 6.60 | 64.90 | 6.66 | 0.61 | 0.06 | 0.59 | 0.06 | 25.81 | 8.22 |
| Total non-current assets | 297.07 | 30.18 | 360.65 | 37.01 | 361.84 | 34.18 | 271.62 | 25.65 | 91.93 | 29.27 |
| Total assets | 984.17 | 100.00 | 974.57 | 100.00 | 1,058.69 | 100.00 | 1,058.92 | 100.00 | 314.09 | 100.00 |

| Description | 2016 | | | | 2015 | | | | 2014 | |
|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Consolidated | | Separate | | Consolidated | | Separate | | Separate | |
| | Million baht | % | Million baht | % | Million baht | % | Million baht | % | Million baht | % |
| Trade and other payable | 9.90 | 1.01 | 9.02 | 0.93 | 57.46 | 5.43 | 45.66 | 4.31 | 3.15 | 1.00 |
| Advance from broadcasting rights | 21.78 | 2.21 | 21.78 | 2.23 | 26.59 | 2.51 | 26.59 | 2.51 | 9.75 | 3.10 |
| Loans and accrued interest from third parties | 5.11 | 0.52 | - | - | 5.81 | 0.55 | - | - | 151.02 | 48.08 |
| Total current liabilities | 50.31 | 5.11 | 42.32 | 4.34 | 101.24 | 9.56 | 83.24 | 7.86 | 167.21 | 53.24 |
| Total non-current liabilities | 7.27 | 0.74 | 7.27 | 0.75 | 8.07 | 0.76 | 7.96 | 0.75 | 5.76 | 1.83 |
| Total liabilities | 57.58 | 5.85 | 49.59 | 5.09 | 109.32 | 10.33 | 91.20 | 8.61 | 172.98 | 55.07 |
| Issued and paid-up | 549.75 | 55.86 | 549.75 | 56.41 | 525.85 | 49.67 | 525.85 | 49.66 | 200 | 63.67 |
| Deficit-unappropriated | (1,062.80) | 107.99 | (1,046.18) | (107.35) | (977.07) | (92.29) | (958.72) | (90.54) | (67.56) | (21.51) |
| Total Shareholders' Equity | 926.59 | 94.15 | 924.98 | 94.91 | 949.37 | 89.67 | 967.71 | 91.39 | 141.12 | 44.93 |
| Total Liabilities and Shareholders' Equity | 984.17 | 100.00 | 974.57 | 100.00 | 1,058.69 | 100.00 | 1,058.92 | 100.00 | 314.10 | 100.00 |

Demeter Corporation Public Co., Ltd and Subsidiaries

The Statements of Comprehensive Income

| Description | 2016 | | | | 2015 | | | | 2014 | |
|---|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | Consolidated | | Separate | | Consolidated | | Separate | | Separate | |
| | Million baht | % | Million baht | % | Million baht | % | Million baht | % | Million baht | % |
| Income from programme co-production | 48.91 | 25.30 | 38.57 | 21.08 | 108.29 | 47.32 | 97.54 | 44.73 | 137.88 | 100.00 |
| Income from broadcasting rights | 51.17 | 26.46 | 51.17 | 27.96 | 34.12 | 14.91 | 34.12 | 15.64 | - | - |
| Income from sponsorship of sport tournament | - | - | - | - | 86.43 | 37.77 | 86.43 | 39.63 | - | - |
| Sales income | 93.27 | 48.24 | 93.27 | 50.96 | - | - | - | - | - | - |
| Total revenues | 193.36 | 100.00 | 183.01 | 100 | 228.84 | 100.00 | 218.09 | 100.00 | 137.88 | 100.00 |
| Cost of programme co-production | (18.60) | (9.62) | (9.90) | (5.41) | (232.96) | (101.80) | (224.79) | (103.07) | (116.56) | (84.54) |
| Cost of broadcasting rights | (48.73) | (25.20) | (48.73) | (26.63) | (39.18) | (17.12) | (39.19) | (17.97) | - | - |
| Cost of sponsorship of sport tournament | - | - | - | - | (85.83) | (37.51) | (85.83) | (39.36) | - | - |
| Cost of sales | (77.08) | (39.86) | (77.08) | (47.12) | - | - | - | - | - | - |
| Total costs | (144.41) | (74.68) | (135.71) | (74.15) | (357.97) | (156.43) | (349.81) | (160.40) | (116.56) | (84.54) |
| Gross profit (loss) | 48.94 | 25.31 | 47.31 | 25.85 | (129.13) | (56.43) | (131.72) | (60.40) | 21.32 | 15.46 |
| Gain on sale of investment in associate | 19.80 | - | - | - | - | - | - | - | - | - |
| Other incomes | 26.53 | 13.72 | 25.99 | 14.20 | 11.17 | 4.88 | 14.84 | 6.80 | 4.00 | 2.90 |
| Administrative expenses | (108.96) | (56.35) | (89.99) | (49.17) | (190.27) | (83.15) | (158.89) | (72.86) | (19.03) | (13.80) |
| Amortization of contract termination | - | - | - | - | (51.88) | (22.67) | (51.88) | (23.79) | - | - |
| Compensation and loss from contract termination | - | - | - | - | (151.90) | (66.38) | (151.90) | (69.65) | - | - |
| Provision for impairment of intangible assets | (41.44) | (21.43) | (41.44) | (22.64) | (312.44) | (136.53) | (312.44) | (143.26) | - | - |
| Provision for impairment of goodwill | - | - | - | - | (40.40) | (17.65) | - | - | - | - |
| Loss from devaluation of investments | - | - | (2.82) | (1.54) | - | - | (59.73) | (27.39) | - | - |
| Management benefit expenses | (29.98) | (15.50) | (26.56) | (14.51) | (25.39) | (11.10) | (20.25) | (9.28) | (3.33) | (2.42) |
| Finance costs | (0.53) | (0.28) | (0.51) | (0.28) | (2.69) | (1.17) | (2.68) | (1.23) | (1.07) | (0.77) |
| Share of loss from associates | (0.67) | (0.35) | - | - | (0.07) | (0.03) | - | - | - | - |
| Income tax | - | - | - | - | (16.12) | (7.04) | (16.12) | (7.39) | (0.75) | (0.54) |
| Net profit (loss) for the years | (86.30) | (44.63) | (88.03) | (48.10) | (909.12) | (397.27) | (890.77) | (408.45) | 1.14 | 0.83 |

The Statements of Cash Flows

| Description (unit: million baht) | 2016 | | 2015 | | 2014 |
|---|--------------|----------|--------------|------------|----------|
| | Consolidated | Separate | Consolidated | Separate | Separate |
| Net cash from (used in) operating activities | (206.72) | (190.83) | (257.57) | (243.73) | (35.11) |
| Net cash from (used in) investment activities | 152.85 | 124.80 | (1,278.86) | (1,352.27) | (0.37) |
| Net cash from (used in) financial activities | 42.94 | 42.94 | 1,479.84 | 1,486.83 | 148.37 |

Financial Ratio

| | 2016 | | 2015 | | 2014 |
|--------------------------------------|--------------|----------|--------------|----------|----------|
| | Consolidated | Separate | Consolidated | Separate | Separate |
| Current ratio (times) | 13.66 | 14.51 | 6.88 | 9.46 | 1.32 |
| Quick ratio (times) | 12.04 | 12.62 | 6.14 | 6.79 | 1.04 |
| Accounts receivable turnover (times) | 5.76 | 6.54 | 5.19 | 5.22 | 6.34 |
| Average collection period (days) | 64 | 56 | 71 | 70 | 58 |
| Accounts payable turnover (times) | 14.59 | 15.05 | 11.81 | 14.33 | 38.07 |
| Average debt payment period (days) | 26 | 25 | 31 | 26 | 10 |
| Gross profit (loss) margin rate (%) | 25.31 | 25.85 | (56.43) | (60.40) | 15.46 |
| Net profit rate (%) | (44.63) | (48.10) | (397.27) | (408.44) | 0.83 |
| Return on equity (%) | (9.31) | (9.52) | (95.76) | (92.05) | 0.81 |
| Return on asset (%) | (8.77) | (9.03) | (85.87) | (84.12) | 0.36 |
| Debt to equity ratio (times) | 0.06 | 0.05 | 0.12 | 0.09 | 1.23 |

13. Analysis and explanation of the management

13.1 Financial position

13.1.1 Assets

Year 2014, 2015 and 2016, the Company had the total assets of Baht 314.09 million, Baht 1,058.69 million, and Baht 984.17 million respectively. At the end of 2014, the Company's total assets increased from 2013 in the amount of Baht 164.57 million or increased by 110.06%, which main reasons were the increase of cash and cash equivalent of Baht 112.89 million or increased by 328.07% due to cash received from short-term bill of exchange in the amount of Baht 150 million in November 2014, and the increase of other current assets of Baht 43.17 million or increased by 4,641.94%, which most of them were the deposit for acquiring the assets of U Best Point Media Co., Ltd and Media Agency Thai Co., Ltd.

At the end of 2015, the Company's total assets increased from 2014 in the amount of Baht 744.60 million or increased by 237.07%. Mainly increase are:

1. Short-term investment of Baht 502.07 million was the outstanding balance of the proceeds from the allotment of share capital increase during the year 2015.
2. Investment in associates of Baht 171.18 million was the purchase of 12,500 common shares of Winchai Co., Ltd. (WIND), representing 25% of WIND's registered capital.
3. Intangible assets of Baht 68.83 million was the increase from Baht 59.11 million in 2014.
4. Land, building and equipment – net of Baht 55.10 million includes land, building and equipment of Demeter Media Co., Ltd. (subsidiary) amounting to Baht 27.94 million and the increase of building improvement, decoration and vehicles of the parent company in the amount of Baht 26.94 million.

At the end of 2016, the Company's total assets decreased from 2015 in the amount of Baht 74.52 million or decreased by 7.04%. Mainly decrease included:

1. The decrease in investment in associates was Baht 171.18 million. Demeter Power Co., Ltd. (subsidiary) sold the entire shares of Winchai Co., Ltd. to First Alpha Venture Co., Ltd. in total amount of Baht 215 million on 29 September 2016.
2. The decrease in accounts receivable and other receivables amounting to Baht 23.30 million was due to provision for doubtful debt from accounts receivable of broadcasting rights of EDGE SPORT amounting to Baht 15.43 million and accounts receivable of programme co-production Baht 3.58 million.
3. The decrease in net intangible assets amounting to Baht 89 million was due to amortization of Baht 47.50 million during the year 2016, and an allowance for impairment of broadcasting rights of EDGE SPORT amounting to Baht 41.44 million.

However, there were the increase of assets as followings:

1. Short-term investment increased of Baht 13.98 million, which was the outstanding balance of the proceeds from the allotment of share capital increase during the year 2015. The Company invested in short-term fixed income mutual funds to receive investment return higher than the return from bank and low risk. As at December 31, 2016, the Company's short-term investment included 1 mutual fund-TMBTHANAPLUS, which was

presented in the financial statements with fair value, amounting to Baht 307.71 million, and the investment in trading securities, which were trading under the private fund managed by of SCB Securities Co., Ltd. amounting to Baht 208.34 million.

2. The increase in investment in subsidiaries amounting to Baht 32.61 million was the purchase of 8,200 ordinary shares, representing 16.40% of registered shares of Aukkarawat Plant Renewable Energies Co., Ltd., which business is the production and distribution of electricity, on December 16, 2016.

3. The increase of other non-current assets amounting to Baht 64.31 million was an increase from Baht 0.59 million in 2015. As of December 31, 2016, other non-current assets consisted of a deposit of Baht 37.92 million for the purchase of shares in Aukkarawat Plant Renewable Energies Co., Ltd. and the deposit of land rental for electricity power plant in Philippines in the amount of Baht 22.40 million.

4. The increase of hire-purchase contract receivables amounting to Baht 85.89 million was the sale of lighting and air conditioning systems. The Company will receive a monthly payment for 84 installments.

In the separate financial statements, the Company had short-term loans and interest receivable to its subsidiary (Demeter Power Co., Ltd.), which decreased from the year 2015 amounting to Baht 151.58 million. The Company received principal repayment with the accrued interest on November 30, 2016.

13.1.2 Liabilities

Year 2014, 2015 and 2016 the Company had total liabilities of Baht 172.98 million, Baht 109.32 million and Baht 57.58 million respectively. At the end of 2014, the Company's total liabilities increased from the year 2013 in the amount of Baht 163.43 million or increased by 1,711.31%, which mainly resulted from the issuance of short-term bill of exchange in the amount of Baht 150 million in November 2014 and the increase of advance payment for the program co-production cost of Baht 9.75 million or increased by 100%.

At the end of 2015, the Company's total liabilities decreased from the year 2014 in the amount of Baht 63.66 million or decreased by 36.80%, which was due to the repayment of short-term loan in the amount of Baht 150 million in April 2015.

At the end of 2016, the Company's total liabilities decreased from the year 2015 in the amount of Baht 51.73 million or decreased by 47.33%, which was due to the decrease of accounts payable of Baht 47.57 million resulted from the accrued compensation from contract termination before due date in the amount of Baht 16.91 million and the accrued compensation to customers for contract termination in the amount of Baht 24 million.

13.1.3 Shareholders' equity

Year 2014, 2015 and 2016, the Company had total shareholders' equity of Baht 141.12 million, Baht 949.37 million and Baht 926.59 million respectively. At the end of 2014, the Company's total shareholders' equity increased from 2013 in the amount of Baht 1.13 million or increased by 0.81% due to the net profit of the year 2014.

At the end of 2015, the Company's total shareholders' equity increased from 2014 in the amount of Baht 808.25 million or increased by 572.74% due to the share capital increase for 5 times, totaling amount of Baht 325.85 million. However, the Company had operating loss for the year in the amount of Baht 909.12 million.

At the end of 2016, the Company's total shareholders' equity decreased from 2015 in the amount of Baht 22.78 million or decreased by 2.40%. The Company's total deficit increased from 2015 in the amount of Baht 85.73 million or increased by 8.77% due to total loss for the year in the amount of Baht 86.30 million.

13.2 Analysis of the operating performance

13.2.1 Income

The total income from the operation of the Company for the year 2014, 2015 and 2016 were Baht 137.88 million, Baht 228.84 million and Baht 193.36 million respectively.

In 2014, the Company's income from programme co-production decreased from 2013 in the amount of Baht 10.98 million or decreased by 7.38% because the NCPO had the announcement No. 27/2557 dated May 24, 2014 to stop the airing of television stations. The said order caused the reduction of the income of the Company which was an external factor that the Company could not control.

In 2015, the Company's total income increased from 2014 in the amount of Baht 90.96 million or increased by 65.97%, which resulted from the increase of income from sponsorship of sport tournament in the amount of Baht 86.43 million from Golf Thailand Classic in February 2015, and the increase of income from broadcasting rights in the amount of Baht 34.12 million. However, the income from programme co-production reduced of Baht 29.59 million or reduced by 21.46% due to economy and high completion in satellite and digital TV business.

In 2016, the Company's total income decreased from 2015 in the amount of Baht 35.48 million or decreased by 15.50%, which resulted from the decrease of income from sponsorship of sport tournament in the amount of Baht 86.43 million, and the decrease of income from programme co-production of Baht 59.38 million due to the contract termination. However, the Company has income from selling the lighting and air conditioning systems during the year of Baht 93.27 million.

13.2.2 Cost and Gross Profit

The total cost of the Company for the year 2014, 2015 and 2016 were Baht 116.56 million, Baht 357.97 million, and Baht 144.1 million, respectively, which were 84.54%, 156.43% and 74.68% of total operating income respectively.

In 2014, the Company's cost of programme co-production increased from 2013 in the amount of Baht 16.34 million or increased by 16.30% due to the addition of 8 new stations that the Company has received the right from MVTM in June 2013.

In 2015, the Company's total cost increased from 2014 in the amount of Baht 241.41 million or increased by 207.11%. The main reasons included the increase of cost of programme co-production in the amount

of Baht 116.4 million due to the amortization of the right purchased from Media Agency Thai Co., Ltd. since February 2015, the increase of cost of broadcasting rights in the amount of Baht 39.18 million, the cost of sponsorship of sport tournament in the amount of Baht 85.83 million due to Golf Thailand Classic in February 2015.

In 2016, the Company's total cost decreased from 2015 in the amount of Baht 213.56 million or decreased by 59.66%. The main reasons included the decrease of cost of sponsorship of sport tournament in the amount of Baht 85.83 million and the decrease of cost of programme co-production in the amount of Baht 214.36 million due to impairment of the entire amount of the right to manage the broadcasting time in 2015.

The gross profit of the Company for the year 2014 was Baht 21.32 million or 15.46% of the total operating income. Whereas, in 2015, the Company had gross loss of Baht 129.13 million or 56.43% of the total operating income caused by loss from programme co-production business of Baht 124.67 million due to high competition resulting the continuously decrease of income of channels.

In 2016, the Company's gross profit was Baht 48.94 million or 25.31% of the total operating income comprising gross profit from programme co-production of Baht 30.31 million, broadcasting rights of Baht 2.44 million and selling of lighting and air-conditioning systems of Baht 16.19 million.

13.2.3 The Administrative and selling expenses

In 2014, 2015 and 2016, the Company had the total expenses of Baht 24.18 million, Baht 791.16 million and Baht 181.59 million respectively.

In 2014, the Company had the administrative expenses of Baht 19.03 million, which increased from 2013 in the amount of Baht 2.26 million or increased by 13.48%. The main reasons were the financial advisor expense regarding the service of providing an opinion on acquiring assets of U Best Point Media Co., Ltd and Media Agency Thai Co., Ltd. However, the management benefit expenses decreased of Baht 3.33 million from 2013 in the amount of Baht 3.72 million or decreased by 52.77% because there were more executives and more meetings of directors during the second half of the year 2013.

In 2015, the Company had the administrative expenses of Baht 190.27 million, which increased from 2014 in the amount of Baht 171.24 million or increased by 899.84%. The main reasons were the allowance for doubtful debt from the sport tournament investment of Baht 61.21 million and from accounts receivable in the amount of Baht 41.16 million, the lawyer consulting fee and financial advisor fee in the amount of Baht 11.99 million, service expense of media business of Baht 6.11 million, operating consulting fee of Baht 4.80 million, office rental and service expenses of Baht 3.48 million, depreciation expense of Baht 3.53 million. The allowance for doubtful debt included:

1. The allowance for doubtful debt from sponsorship of sport tournament in the amount of Baht 61.21 million. The trade receivable defaulted in return the sponsorship income from the sport tournament, which the Company was the financial investor with amount of Baht 86.43 million according to the contract project of the golf tournament "Thailand Classic". The reason of default was that the receivable received the sponsorship income from sponsors but failed to return such income to The Company as the condition stated in the agreement. The Company

has filed with the Civil Court on July 15, 2016. Subsequently, the Court has appointed for reconciliation on March 8, 2017.

2. The allowance for doubtful debt from programme co-production in the amount of Baht 41.16 million due to the default payment from 94 Entertainment Co., Ltd.. The receivable defaulted on payment of debt regarding debt restructuring and acknowledgement of debt agreement dated in November 2015. The Company had set up the allowance for doubtful debt in full amount according to the Company's policy.

In 2016, the Company had the total administrative expenses of Baht 108.96 million, which decreased from 2015 in the amount of Baht 81.31 million or decreased by 42.73%. The significant expenses included salary and employees' benefit of Baht 12.26 million, factory rental of Baht 13.90 million, due diligence fees of Baht 5.16 million, office rental and service of Baht 3.57 million, services of Baht 8.72 million, external and internal auditors of Baht 2.88 million, consulting fees of Baht 7.57 million, other fees of Baht 4.31 million, depreciation expenses of Baht 5.15 million and allowance for doubtful debt of Baht 19.78 million.

The allowance for doubtful debt included receivables from broadcasting right of EDGE SPORT and programme co-production in the amount of Baht 15.43 million and Baht 4.35 million respectively. In addition, in 2016 the Company had set up the provision for impairment of intangible asset of Baht 41.44 million due to the allowance for doubtful debt of the broadcasting right of EDGE SPORT receivable and had the management benefit of Baht 29.98 million

13.2.4 Net profit

In 2014, the Company had net profit of Baht 1.14 million or 0.83% of the total operating income. Whereas, in 2015 the Company had loss of Baht 909.12 million or 397.27% of the total operating income.

In 2014, the Company's net profit reduced in the amount of Baht 21.05 million or reduced by 94.88% from 2013 since the Company had been affected from the announcement No. 27/2557 dated 24 May, 2014 of the NCPO to stop the airing of television station for a period of 1 month and 9 days resulted the decrease of the Company's income. Additionally, administrative expenses increased from the financial advisor fee and other fees.

In 2015, the Company had net loss of Baht 909.12 million, which decreased from 2014 in the amount of Baht 910.26 million, which mainly resulted from the incident on May 22, 2014. As a result, some Company's customers made defaulted on payment and some terminated the contract. Also, the income of channels had decreased continuously and strict regulations on satellite TV was in place in 2015. Accordingly, sale of advertisement on the satellite TV channels, where there are over a hundred channels, was difficult, which impacted directly to the Company's income. Whereas, the cost of programme co-production is the fixed cost due to long-term contract. The Company negotiated with MVTV to terminate the co-production agreements for 16 satellite channels caused the compensation and loss from the termination in the amount of Baht 151.90 million and provision for impairment of intangible assets of Baht 312.44 million. Moreover, the Company had the increase of administrative expenses, management benefit expenses, and finance costs.

In 2016, the Company had net loss of Baht 86.30 million, which mainly resulted from the provision for impairment of intangible asset (EDGE SPORT) of Baht 41.44 million, and higher administrative expenses and management benefits than gross profit of 2016. However, the Company had gain on sale of investment in associates amounting to Baht 19.80 million, which Demeter Power Co., Ltd. (subsidiary) signed the agreement of selling the ordinary shares of WIND equivalent to 25 percent to First Alpha Venture Co., Ltd. ("FAV"). On September 29, 2016, the subsidiary signed the share transferred document of WIND in the amount of 1,000,000 shares equivalent to 25 percent of the registered capital of WIND at the total purchase price of Baht 215 million. The consolidated financial statement recorded gain on sales of investment in the amount of Baht 19.80 million. FAV was registered in the shareholder's listing of WIN at the Ministry of Commerce on October 20, 2016, which resulted the completion of agreement. The subsidiary received the payment of Baht 215 million on October 25, 2016.

13.2.5 Liquidity Analysis

At the end of 2014, the Company's net cash and cash equivalent increased of Baht 112.89 million, which was the increase of net cash from financing activities of Baht 148.37 million from issuing bill of exchange of Baht 150 million; whereas, there was cash used in operating activities of Baht 35.11 million due to the payment of deposits for acquiring the assets of U Best Point Media Co., Ltd and Media Agency Thai Co., Ltd.

At the end of 2015, the Company's net cash and cash equivalent decreased of Baht 56.59 million, which consisted of cash from financing activities of Baht 1,479.84 million, which were cash received from capital increase of Baht 1,643.89 million and cash paid on short-term loan of Baht 183.14 million. The Company issued the promissory notes with the principal of Baht 150 million, period of 120 days, bearing interest at the rate of 5.00%-5.80% per annum, to be used as the investment in Golf Thailand Classic project in February 2015 and used as working capital of the Company. The Company repaid part of principal and full amount of interest on maturity date in March 2015 in the amount of Baht 82.91 million and extended part of the promissory notes amounting to Baht 100 million, with a maturity of 30 days, bearing interest at the rate of 4.00% - 5.00% per annum. Principal and interest were paid on maturity date in April 2015 in the amount of Baht 100.24 million.

At the end of 2015, the Company's net cash and cash equivalent decreased of Baht 72.86 million, which consisted of cash from financing activities of Baht 42.94 million, which were cash received from capital increase of Baht 44.72 million and cash paid on financial lease liability of Baht 1.78 million.

However, the Company had net cash used in operating activities of Baht 206.72 million due to:

1. Loss from operation of Baht 8.10 million resulting from the payment on consulting fee for energy project in future.
2. The increase in hire-purchase contract receivable of Baht 98.20 million, resulting from the sale of lighting and air-conditioning systems. Under each contract, the Company will receive 84 monthly installments.
3. The increase in non-current assets of Baht 64.31 million, resulting from deposits of land for power plant project in Philippines of Baht 22.40 million and the second payment for share purchase paid in

advance to Aukkarawat Plant Renewable Energies Co., Ltd. amounting to Baht 37.92 million (8,619 shares). This second part will be transferred in January 2017.

In addition, the Company's cash flow received from investment activities of Baht 152.85 million comprised of sale of investments in Winchai Co., Ltd. of Baht 215 million and sale of investments in subsidiaries of Baht 57.88 million. However, there was the investment in Aukkarawat Plant Renewable Energies Co., Ltd. amounting to Baht 34.36 million.

13.2.6 Financial Ratio

The Company's gross profit rate for the year 2014 and 2015 was 15.46% and -56.43% respectively. The gross profit rate of the year 2014 decreased from 2013 due to the incident on May 22, 2014, which caused the decrease of operating performance. This was consistent with the net profit, the return on equity, and the return on assets rates, which reduced in the year 2014.

If considering the current ratios of the Company for the year 2014, 2015, and 2016 which was at 1.32 times, 6.88 times, and 13.66 times, the Company's current ratio had increased continuously. As in 2015, the Company had a short-term investment of Baht 502.07 million, which received from the capital increase during the year, and the current liabilities decreased due to repayment of short-term loans and interest. It is similar to the year 2016. The Company had short-term investments of Baht 582.40 million due to proceeds from the sale of investments in associates. Meanwhile, current liabilities decreased from the year 2015 due to the decrease in trade payables and other payables. This caused the decrease of debt to equity ratio of 2016, which reduced from 0.12 times in 2015 to 0.06 times.

The Company had accounts receivable turnover during 2014, 2015 and 2016 at 6.34 times, 5.19 time, and 5.76 times respectively. In 2015, the accounts receivable turnover decreased to 5.19 times since customers received negative impact from TV digital and high competition in TV business resulting the increase of debt collection to 71 days. In 2016, some accounts receivable were set up the allowance for doubtful debt in full amount and the Company has new accounts receivable from selling the lighting and air-conditioning systems, which has not made the default payment yet. This caused the decrease of debt collection days to 64 days.

In 2015, the Company's gross profit rate decreased from 2014, which was at 15.46%, to negative -56.43%. The main reasons were the huge competition in the television business, which affected to the Company's customers and reduction of income from programme co-production; while, the cost of programme co-production is the fixed cost due to long-term. In addition, the compensation and loss from the early termination of contract, the increase of administrative expenses, the expenses from provisions during the year, and higher finance costs resulted the negative of net profit ratio, return on equity ratio, and return on assets ratio.

In 2016, whereas, the Company's gross profit rate increased from 2015, which was at -56.43%, to 25.31%. The main reasons included the termination of satellite TV business by terminating of contract before the due date, and the new investment in energy business resulting income from sale of lighting and air-conditioning

systems, which provided higher return than TV satellite business. This also caused the ratios of net profit, return on equity and return on assets better than the year 2015.

13.2.7 Performance of Subsidiaries

The operating's result of 5 subsidiaries for the year ended December 31, 2016 are as followings:

| Description (unit: million baht) | Separate | | | | |
|-------------------------------------|--|------------------|-------------|------------------|--------------------|
| | Aukkarawat Plant Renewable Energies | Demeter Power | Demeter ICT | Demeter Media | Demeter Capital |
| Revenue | - | - | 2.90 | 7.44 | - |
| Cost | - | - | (1.50) | (7.20) | - |
| Gross profit | - | - | 1.40 | 0.24 | - |
| Other income | - | 21.16 | - | 5.53 | 0.03 |
| Administrative expenses | - | (5.16) | (0.61) | (6.18) | (0.31) |
| Management benefit expenses | - | (2.56) | - | (0.86) | - |
| Finance cost | - | (7.49) | (0.01) | (0.33) | - |
| Profit (loss) for the year | - | 5.95 | 0.78 | (1.60) | (0.28) |

Notes:

1. As revenue of each subsidiary is less than 10% of total revenue, there is no financial information by segment of each subsidiary presented in the financial statements as disclosed in the notes 28 to financial statements.
2. On March 15, 2016, the Company sold the investment in Demeter ICT Co., Ltd. to third parties which resulted the loss of the significant control in that subsidiary.
3. On December 16, 2016, the Board of Directors' Meeting No. 10/2016 passed the resolution to approve the investment in the biogas power plant project located in Suphanburi Province, which operated by Aukkarawat Plant Renewable Energies Co., Ltd. ("Aukkarawat") with totaling value not exceeding of Baht 290 million. The Company purchased 8,200 shares of Aukkarawat, representing 16.40% of total shares on December 30, 2016. Accordingly, the Company has prepared the consolidated financial statements by including such subsidiary although holding percentage less than 50% since the Company has the control in such company.
4. Demeter Capital Co., Ltd., own by Demeter Power Co., Ltd., registered its dissolution with the Ministry of Commerce on September 14, 2016, according to the resolution of the shareholders' meeting held on September 1, 2016.

1. Demeter Power Company Limited is incorporated as the limited company on February 9, 2015, 100% own by Demeter Corporation Public Co., Ltd. The Company's objectives are to be a solar panel manufacturer and to provide services on production of electricity from renewable energy projects by focusing on solar energy and wind energy. The Company planned to build the plant solar cell and Crystalline silicon PV Module plant at Amata City, Rayong province by using production technology from China. Moreover, the Company purchased the ordinary shares of Winchai Co., Ltd., which its operation is electricity production from wind energy,

in the amount of 12,500 shares, equivalent to 25% of the registered capital. In 2016, the Company sold all shares to First Alpha Venture Company Limited at the total price of Baht 215 million on September 29, 2016 resulting gain on sale of investment amounting to Baht 19.80 million. However, the Company has no operating income since the solar cell plant project is still in the process of financial and product quality due diligence of the joint venture and the joint venture is in the ongoing process of resolving problems from being removed from the list of Tier-1 manufacturers.

2. Demeter ICT Company Limited (DICT) is incorporated as the limited company on February 9, 2015, 100% own by Demeter Corporation Public Co., Ltd. and is appointed as an official cloud solution servicer of Google Apps. The solutions consist of email, calendar, google drive cloud storage, office collaboration system, hangout system, google plus social network system, google site system, and video on youtube. On March 15, 2016, the Company sold the investment in Demeter ICT Co., Ltd. to third parties which resulted the loss of the significant control in that subsidiary.

3. Demeter Media Company Limited (formerly name U Best Point Media Company Limited) is 100% own by Demeter Corporation Public Co., Ltd. since February 5, 2015. The Company operates a satellite television channel with a license to operate broadcasting or television broadcasting to provide television broadcasting services from the NBTC. The Company's major income is from programme co-production. Due to the increasing competition in the satellite television business and many digital TV channels, channel rental prices began to decline continuously; while the Company had a fixed rental cost. As a result, the gross profit margin is very low. This caused the Company's net loss for the year 2016 amounting to Baht 1.60 million.

4. On December 16, 2016, the Board of Directors' Meeting No. 10/2016 passed the resolution to approve the investment in the biogas power plant project located in Suphanburi Province, which operated by Aukkarawat Plant Renewable Energies Co., Ltd. ("Aukkarawat") with totaling value not exceeding of Baht 290 million. The Company purchased 8,200 shares of Aukkarawat, representing 16.40% of total shares on December 30, 2016. Accordingly, the Company has prepared the consolidated financial statements by including such subsidiary although holding percentage less than 50% since the Company has the control in such company.

13.2.8 Commitments and Off-Balance Sheets Obligation

1. Commitments and obligations according to the Agreement relating to the repayment method under the Broadcasting Right Purchase Agreement with MAT (the "**Repayment Agreement**") as at December 31, 2016 are Baht 316.57 million including following transactions:

a. Receivables under the Debt Restructuring Agreement remain as at December 31, 2016, of Baht 76.48 million (included VAT). The details are as follows:

| Details | (Unit : Million Baht) |
|--|-----------------------|
| Accounts receivable under the Debt Restructuring Agreement | 95.24 |
| Less Payment received | (18.76) |
| Receivables under the Debt Restructuring Agreement as at December 31, 2016 | <u>76.48</u> |

b. Value under the Repayment Agreement of Baht 240.09 million (excluded VAT). The details are as follows:

| Details | (Unit : Million Baht) |
|--|-----------------------|
| Fair value of the right to sell the advertising time during the broadcasting of Golf European Tour Program | 254.79 |
| Less Payment received | (14.70) |
| Value under the Repayment Agreement as at December 31, 2016 | <u>240.09</u> |

The Company hasn't recognized revenues of the BPA on statement unless receipt of the money from MAT (Cash basis).

2. The Company had entered into office rental agreements with a non-related company for the term of 3 years, end of November 30, 2017, to pay the fee at Baht 278,800 per month.

13.3 Summary of the Operational Overview and Key Changes Factors

Management considered that Satellite Television Business might not be a profitable business as in the past. Accordingly, we needed to find a way to reduce loss that would occur in the future if the Company continued the satellite TV business. The best resort to have the least expenses was to return business in order to reduce future expenses. The Company had issued a letter of request for the return of broadcasting or television broadcasting license to operate broadcasting or television broadcasting network that not using national frequency band to the National Broadcasting and Telecommunications Commission (NBTC.), ref. DCORP 071/2559 dated May 24, 2016. As the network license had no benefit to the Company anymore; as well as today's technology was far beyond to utilize such network that had high construction costs. For the channel broadcast licenses that not be utilized, if they are expired, the Company will not renew.

The Company's policy is to manage the existing assets and copyrights to expand revenue stream and to find new business opportunities. The Company intends to create added value for the organization and maximize shareholder benefit. The Company foresees growth opportunities in natural renewable energy business since domestic demand for electricity is in an upward trend every year. The government has a policy to continually promote the generation of electricity from natural renewable energy to reduce the risk of reliance on fossil fuels and reduce pollution from power generation. And such energy is clean energy and naturally occurring fuel with no harm to the environment and endless usage. Electricity is a vital infrastructure for living and economic development to support the expansion of population. In addition, this business have a fixed income, low risk, guaranteed electricity purchase by government and clear technology. In December 2016, the Company has invested in the biogas power plant project in Suphanburi province, which operated by Aukkarawat Plant Renewable Energies Co., Ltd. The investment structure is divided into two parts:

1. Purchase ordinary share of 25,000 shares, representing 50% of Aukkarawat's total registered shares with the price of Baht 4,400 per share, totaling value of Baht 110 million.
2. Set the investment budget for power plant facility improvement and procurement and installation of machinery of up to Baht 180 million.

In addition, the Company has implemented energy saving projects for customers. The services include measurement service, project design, procurement and installment of equipment, guaranteed energy saving with after-sales service. In August 2016, the Company signed a contract of selling lighting and air conditioning systems with a non-related company. The delivery and inspection tasks has completed. The Company will receive payment under the contract in monthly installments totaling 84 installments in the amount of Baht 1,000,000 (excluded VAT), starting the first installment in September 2016. On November 11, 2016 signed an additional contract for phase 2-1 and the Company will receive payment under the contract in monthly installments totaling 84 installments in the amount of Baht 407,853 (excluded VAT), starting the first installment in January 2017.

However, the investment in wind power project that has been implemented since 2015; in September 2016, Demeter Power Company Limited (subsidiary) entered into the 25% share sale agreement of Winchai Co., Ltd. (WIND) with First Alpha Venture Company Limited (FAV) for a total of Baht 215 million.

Attachment

Details on Directors, Executives, Controllers and Corporate Secretary

| Name-Surname/ Position/Appointed date (Resigned date) (1) | Age (Years) | Educational Qualification (2) | Shareholding in the Company (%) (3) | Family Relationship among the Management (4) | Work Experience in the Last 5 Years | | |
|--|----------------|---|--|--|--|--|--|
| | | | | | Time Period | Position | Corporate Name/ Company/Business Industry (5) |
| 1. Mr. Suthep Liumsirijarearn - Independent director and Chairman of Board of Directors - Appointed as director on November 13, 2015 - Appointed as Chairman of Board of Directors on April 1, 2016 | 62 | - 1989 Post-Graduate Diploma, Hydraulic Engineering, Delft, Netherlands - 1978 B.Sc. in Civil Engineering, Chiang Mai University - DAP 96/2012 - ACP 39/2012 | None | None | 2016-Present 2015 2014 2013 2011 | Chairman of Board of Directors Management Committee Management Committee Advisor Chairman of Board of Directors Permanent Secretary Vice President of Energy Policy and Planning Office | Demeter Corporation Public Co., Ltd SK Shop Co.,Ltd. B Plus Enterprises Co.,Ltd. Office of the Prime Minister Ptt Exploration and Production Public Company Limited Ministry of Energy Ministry of Energy |
| 2. Mr.Numchai Lowattanakul - Independent director Vice Chairman of Board of Directors - Appointed as director on February 26, 2016 - Appointed as independent director on April 1, 2016 | 60 | - 2004 Master of Business Administration, Kasetsart University - 2001 Diploma of Mini MBA, Kasetsart University - 1986-1987 Diploma of Mains Operation & Maintenance Training, Germany - 1978 Bachelor of Engineering Program in Electrical Engineering, Chulalongkorn University | None | None | 2016-Present 2012-2015 2011 | Vice Chairman of Board of Directors Governor Deputy Governor (Planning and System Development) | Demeter Corporation Public Co., Ltd Provincial Electricity Authority Provincial Electricity Authority |

| Name-Surname/ Position/Appointed date (Resigned date) (1) | Age (Years) | Educational Qualification (2) | Shareholding in the Company (%) (3) | Family Relationship among the Management (4) | Work Experience in the Last 5 Years | | |
|--|----------------|---|--|--|--|--|--|
| | | | | | Time Period | Position | Corporate Name/ Company/Business Industry (5) |
| 3. Mr. Patsak Osathanugrah - Vice Chairman of Board of Directors - Appointed on August 13, 2014 (Authorized signatory director) | 55 | - Master degree MBA Southeastern University, USA - Bachelor of Business Administration, Bangkok University - DAP 114/2015 | 7.816 | Yes (relative to Mr. Anit Osathanugrah) | 2014-Present 2012-2013 2011-2012 2009-2010 2008-2009 | Chairman of Board of Directors Consultant of Ministry of Finance Mr. Kitirat Na Ranong Committee Assistant Secretary Sub-Committee Project Consideration of The Board of Investment Sub-committee Business Consideration of Metropolitan Waterworks Authority | Demeter Corporation Public Co., Ltd Committee on Education and Sports, the National Legislative Assembly The Board of Investment Metropolitan Waterworks Authority |
| 4. . Mr. Chotiphun Tiaviwat - Vice Chairman of Board of Directors - Appointed on August 13, 2014 | 29 | - Master of Arts, Business and Managerial Economics (First Class Honors), Chulalongkorn University - Bachelor of Economics, Chulalongkorn University - DAP 114/2015 | 4.548 | None | 2014-Present 2013-Present 2012-Present 2012-Present 2010-2014 2009-2011 | Director and Vice Chairman of Board of Directors Investment Director Finance Director Chief Financial Officer Assistant Manager Advisor to the Managing Director | Demeter Corporation Public Co., Ltd Mneme Global Capital INC. Sugar Hill Global Capital Co., Ltd Gourmet Town Co., Ltd DBS Vickers Securities (Thailand) Co., Ltd Premisri Development Co., Ltd |

| Name-Surname/ Position/Appointed date (Resigned date) (1) | Age (Years) | Educational Qualification (2) | Shareholding in the Company (%) (3) | Family Relationship among the Management (4) | Work Experience in the Last 5 Years | | |
|--|----------------|--|--|--|--|---|--|
| | | | | | Time Period | Position | Corporate Name/ Company/Business Industry (5) |
| 5. Mr. Krisada Hutaserani - Independent director and Chairman of The Audit Committee -Appointed on April 30, 2015 (an audit committee who has an experience on reviewing the financial statements and was appointed as Chairman of the Audit Committee of SMC Power Co., Ltd.) | 61 | - M.S. Economics (Honors) from School of Economics, University of the Philippines (under Rockefeller Foundation Scholarship) - B.A.Economics (Quantitative Economics), Chulalongkorn University Bangkok - DAP 126/2016 | None | None | 2015- Present Present 2009--2014 | Independent director and Chairman of The Audit Committee Director and Chairman of Advisory Board Chairman Chairman | Demeter Corporation Public Co., Ltd SCMB Co., Ltd Lanna Thai Concepts Company Limited Adamas Incorporation Public Company Limited |
| 6. Mr. Trairat Chatkaew - Independent director and Chairman of The Audit Committee - Appointed on April 30, 2015 | 57 | - MM, Human Resource Management – College of Management, Mahidol University - BBA, Business Computer - Assumption University | None | None | 2015- Present Present 2012-2014 | Independent director and Chairman of The Audit Committee President President | Demeter Corporation Public Co., Ltd Knowledge Management Asia Company Limited Software Industry Promotion Agency (Public Organization) - MICT |
| 7. Mr. Takorn Laohapongchana - Independent director and member of The Audit Committee | 35 | - Master Degree of Marketing Management, University of Canberra, Canberra, Australia - Bachelor Degree of Marketing and Economic, University of Canberra, Canberra, Australia | None | None | 2014-2016 2009-Present 2009-Present | Independent director and member of The Audit Committee Director Executive Vice President | Demeter Corporation Public Co., Ltd Champion Enterprise 1980 Co., Ltd Chao Praya Insurance Public Company Limited |

| Name-Surname/ Position/Appointed date (Resigned date) (1) | Age (Years) | Educational Qualification (2) | Shareholding in the Company (%) (3) | Family Relationship among the Management (4) | Work Experience in the Last 5 Years | | |
|--|----------------|---|--|--|--|--|--|
| | | | | | Time Period | Position | Corporate Name/ Company/Business Industry (5) |
| - Appointed on December 22, 2014 (resigned on December 15, 2016) | | | | | | | |
| 8. Mr. Pacharasut Sujarittanonta - Independent director and member of The Audit Committee - Appointed on December 16, 2016 | | - Ph.D. in Economics, University of Maryland College Park - M.A. in International Economics and Finance), Chulalongkorn University - Bachelor of Engineering (First Class Honors) in Computer Engineering, Chulalongkorn University | 0.280 | None | 2016- Present 2013- Present 2014 – 2015 2011 – 2013 | Independent director and member of The Audit Committee Professor Special Instructor Advisor | Demeter Corporation Public Co., Ltd Faculty of Economics, Chulalongkorn University Sasin Graduate Institute of Business Administration Cramton Associates L.L.C., USA |
| 9. Mr. Anit Osathanugrah - Director and Chief Executive Officer - Appointed as director on September 4, 2014 - Appointed as CEO on September 7, 2016 (Authorized signatory director) | 43 | - Master of Arts (Political Science), Ramkhamhaeng University - Bachelor of Public Administration, Ramkhamhaeng University - DAP 114/2015 | None | Yes (relative to Mr. Patsak Osathanugrah) | 2014-Present 2013-Present 2004-Present | Director Chief Executive Office Managing Director | Demeter Corporation Public Co., Ltd Digital Hub Co., Ltd. ANIT Group Co., Ltd. |
| 10. Mr. Apichet Bhusry -Director -Appointed on May 12, 2015 | 28 | - Master of Arts, Business and Managerial Economics, Chulalongkorn University | None | None | 2015- Present 2013-Present 2012-Present | Director Investment Director Director and Co-Founder | Demeter Corporation Public Co., Ltd Mneme Global Capital INC. Gourmet Town Co., Ltd |

| Name-Surname/ Position/Appointed date (Resigned date) (1) | Age (Years) | Educational Qualification (2) | Shareholding in the Company (%) (3) | Family Relationship among the Management (4) | Work Experience in the Last 5 Years | | |
|---|----------------|---|--|--|---|---|---|
| | | | | | Time Period | Position | Corporate Name/ Company/Business Industry (5) |
| | | - Bachelor of Economics, Chulalongkorn University - DAP 126/2016 | | | 2010-2014 | Assistant Manager | DBS Vickers Securities (Thailand) Co., Ltd |
| 11. Mr. Teerawit Charuwat -Director -Appointed on July 13, 2016 | 58 | - Ph.D (Ph.D. Candidate) in Development Administration (International Program), Major in Policy and Management, National Institute of Development Administration (NIDA) - 2003 Master of Finance (International Program) (MIF), Thammasat University - 1993 Master of Business Administration (MBA), Chulalongkorn University - 1985 Master of Energy Management and Policy), University of Pennsylvania, USA (under the US Government Scholarship) - 1979 Bachelor of Engineering in Mechanical Engineering, Chulalongkorn University - DAP 43/2005 - DCP 67/2005 - ACP 11/2006 - DCPU 4/2015 - CDC 10/2015 - IOD Chartered Director | None | None | 2016-Present 2003- Present 2013-2016 2007-2008 2006 2005-2006 2003-2004 | Director Lay Judge Director Executive Committee and Acting President Chairman Chief Executive Officer: CEO Chief Financial Officer: CFO | Demeter Corporation Public Co., Ltd The Central Intellectual Property and International Trade Court Ratchaburi Electricity Generating Co., Ltd. Software Industry Promotion Agency (Public Organization) (SIPA) ACT Mobile Co., Ltd. TOT Public Company Limited MCOT Public Company Limited |

| Name-Surname/ Position/Appointed date (Resigned date) (1) | Age (Years) | Educational Qualification (2) | Shareholding in the Company (%) (3) | Family Relationship among the Management (4) | Work Experience in the Last 5 Years | | |
|---|----------------|--|--|--|---|---|---|
| | | | | | Time Period | Position | Corporate Name/ Company/Business Industry (5) |
| 12. Mr. Kunpoj Kittiratsiri - Director - Appointed on August 10, 2016 (Authorized signatory director) | 43 | - Bachelor of Business Administration, Major in Marketing, University of the Thai Chamber of Commerce | 1.055 | None | 2016-Present 2009- Present | Director Chairman of Executive Board | Demeter Corporation Public Co.,Ltd GCT Media Co., Ltd. |
| 13. Mr. Charnsak Thanataecha - Director - Appointed on August 10, 2016 | 47 | - Master of Business Administration, Major in Finance, Thammasat University - Bachelor of Business Administration, Major in Finance, Thammasat University | None | None | 2016-Present 2011- Present 2008- 2011 | Director Director and Managing Director Head of Investment Advisory | Demeter Corporation Public Co.,Ltd KKTrade Securities Co., Ltd. Thanachart Securities Co., Ltd. |
| 14. Ms. Kulthida Verathaworn - Executive Vice President, Project Management Group and Acting Company Secretary | 32 | - Master of Arts, International Economics and Finance, Chulalongkorn University - Bachelor of Economics, Major: Quantitative Economics, Chulalongkorn University | None | None | 2016-Present 2015-2016 2014-2015 2014 2012-2014 2011 | Executive Vice President, Project Management Group and Acting Company Secretary Project Coordinator Executive Assistant to the Minister of Energy, H.E. Dr. Narongchai Akrasanee Project Coordinator Secretary and Executive Assistant to the Minister of Energy, H.E. Mr. Pongsak Ruktapongpisal Investment Development Analyst in Strategic Planning and Investment Department | Demeter Corporation Public Co.,Ltd Myanmar Joint Venture Asset Department at PTTEP PLC Ministry of Energy Myanmar Joint Venture Asset Department at PTTEP PLC Ministry of Energy PTT International Company Limited (A company of PTT Group) |

* Information as at December 31, 2016

Duties and Responsibilities of Company Secretary

The company secretary shall perform his or her duties in accordance with section 89/15 and section 89/16 of Securities and Exchange Act (No.4) B.E. 2551, which come into force on August 31, 2008. The company secretary shall perform his or her duties with responsibilities, care, and honesty in compliance with laws, Article of Association and objective of the Company, resolution of the Board of Directors, and resolution of the shareholders' meeting. In performing this duty, the company secretary has the following duties and responsibilities:

1. Preparing and keeping the following documents of the Company:

a. Register of the Company's directors

b. Meeting notification letter and minutes of the Board of Directors meeting including annual reports

c. Meeting notification letter and minutes of the shareholders meeting.

2. Keep reports on stake holding submitted by directors or executives according to section 89/14 and submit to the chairman of the board and chairman of Audit Committee within 7 working days from the date receiving such report by the Company.

3. Perform other duties as specified by the Capital Markets Supervisory Board.

Additionally, the company secretary has duties assigned by the Company (or the board) as follows:

◆ Provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board and Board Committees.

◆ Organize the meetings of Shareholders, the Board of Directors.

◆ Liaise with regulatory agencies such as the Stock Exchange of Thailand and be responsible for the disclosure and report information to the public and regulatory agencies with accuracy, complete and in accordance with laws.

◆ Arrange new director orientation.

◆ Perform other duties as assigned by the Company.

Directors of Subsidiaries

| Name | Company | Subsidiaries : | | | Related : |
|-----------------------------|---------|----------------|---------|---|-----------|
| | | D POWER | D MEDIA | Aukkarawat Plant Renewable Energies Co., Ltd. | None |
| Mr. Anit Osathanugrah | 2,3 | 2 | - | - | - |
| Mr. Nat Kongpanichkul | - | 2 | - | - | - |
| Mr. Chatchai Amornritvanich | - | 2,3 | - | - | - |
| Mr. Cholapan Vongsing | - | - | 2,3 | - | - |

Note : 1 = Chairman 2 = Director 3 = Executive Director

Details of Directors of Subsidiaries

Information as at December 31, 2016

| Subsidiaries | | Demeter Power Co., Ltd. | Demeter Media Co., Ltd. | Aukkarawat Plant Renewable Energies Co., Ltd. |
|-----------------|----------------|----------------------------|----------------------------|---|
| Directors' Name | | | | |
| Mr. Anit | Osathanugrah | 2 | - | - |
| Mr. Cholapan | Vongsing | - | 2,3 | - |
| Mr. Nat | Kongpanichkul | 2 | - | - |
| Mr. Chatchai | Amornritvanich | 2,3 | - | - |

Note : 1 = Chairman 2 = Director 3 = Executive Director

3. Details of Internal Auditor and Supervision of the Work Operation of the Company

Head of the audit agency

Juristic people : The Best Solution Partnership Limited

Name : Mrs. Chinanan Sukjit

Position : Senior internal auditor

Educational qualification/working history: Bachelor, Bangkok University, Faculty of Accounting

Experience :

- Manager of the Best Solution Partnership Limited
(February 2014 - nowadays)
- Senior internal auditor of Quantum Point Consulting Co., Ltd
(June 2011 - January 2014)
- Senior internal auditor of APJM Coaching Co., Ltd
(August 2005-May 2011)
- Manager of the accounting department of Bathroom Design Co., Ltd
(November 2003 - July 2005)
- Accounting official of Jafra Inter National (Thailand) Co., Ltd
(August 2000- October 2003)
- Assistant of a licensed auditor of Sahakarnbanchee PKF Co., Ltd
(August 1998 - July 2000)

Training

: has been trained from the outside of an organization in the following matters

- *Thai tax association*
The course of accounting standard and auditing standard
- *Federation of Accounting Professions Under The Royal Patronage of His Majesty The King*
Course of internal work operating, course 2
- *Unique Seminar and Training Co., Ltd*
Course Dispute settlement with the Revenue Department: Increase a strong point and get rid of a weakness of Thai accountant

: has received the training inside an organization on the following matter

- Internal audit standard
- Internal control system standard
- Technique and tools in primary audit
- Working paper and supporting documents
- Audit work management and technique of being the head of the audit team
- Development of the audit program for business transactions
- Technique and tools of audit for a manager
- Assessment of the quality of the internal audit

4. The Audit Committee's Report Year 2016

The Audit Committee's Report

To: The shareholders of Demeter Corporation Public Company Limited

The Audit Committee of Demeter Corporation Public Company Limited was appointed by the Board of Directors of the Company comprising of three independent directors, who were qualified according to the Regulation and Best Practice Guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand, including Mr. Krisda Hutaserani, Audit Committee Chairman, Mr. Trairat Chatkaew and Mr. Pacharasut Sujarittanonta, Audit Committee Members, and Mr. Ekkawit Kaewwichian, the secretary of the Audit Committee.

The Audit Committee fulfilled the responsibility according to the scope, duties and responsibilities assigned by the Board of Directors that complied with the Regulation of the Stock Exchange of Thailand. In 2016, there were 5 Audit Committee meetings and the meeting with the management executives, external auditors, and internal auditors when appropriate, pertaining to the following issues.

1. Review the interim and annual financial statements for the year 2016, by questioning and listening to the clarification of the external auditor and Vice President of Accounting Department, concerning the accuracy and completeness of the financial statements and the adequacy of information disclosure, and acknowledged the issues and recommendations from the external auditor for the year 2016. The Audit Committee had opinion as same as the external auditor that the financial statements were presented fairly, in all material respects, and in accordance with Thai Financial Reporting Standards.

2. Review of internal control system to evaluate the appropriateness and effectiveness of the internal control system, which encouraged the operation to achieve the specified objective, by reviewing the internal audit's report for the year 2016 according to the approved plan, which covered the significant operations of the Company. It was found no weakness or significant deficiency.

3. Review of internal audit work to evaluate the effectiveness of the internal control unit by considering scopes of work operation, duties and responsibilities, independence, manpower and budget of internal audit unit as well as reviewing the internal audit charter to be updated and to comply with the internal control practice of the Stock Exchange of Thailand. The Committee approved the annual audit plan of the internal auditor including training plans for the audit committee member and audit personnel. The Audit Committee had the opinion that the Company had a adequate, appropriate and effective internal audit system and also had the development of audit's quality both in personnel and operational inspections to ensure compliance with international standards continuously.

4. Review compliance with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand (SET), and any other relevant laws, including the compliance with the Company requirement and obligations to external parties. The Audit Committee did not find any significant incompliance to the law, Regulations and the Company obligations to external parties.

5. Review and give opinion to connected transactions or transactions that may have conflict of interests, and information disclosure of such transactions to comply with Regulation of the Stock Exchange of Thailand (SET), and the Office of the Securities and Exchange Commission (SEC). The Audit Committee had opinion as same as the external auditor that the significant transactions with the connected persons were disclosed and shown in the Financial Statements and Note to Financial Statements accurately and completely.

6. Consider appointing the external auditors and their remuneration to propose to the Board of Directors to seek for the approval of the Annual Shareholder Meeting, which the Audit Committee considered the performance, independence and remuneration and concluded to propose appointing Mr. Jadesada Hungsapruet (Certified Public Accountant No. 3 7 5 9) and/or Ms. Kannika Wipanut (Certified Public Accountant No. 7 3 0 5) and/or Mr. Jirote Sirirote (Certified Public Accountant No. 5 1 1 3) of Karin Audit Co., Ltd to serve as the Company external auditor for the year 2 0 1 7 . The Audit committee had the opinions regarding the external auditors as follows:

- The external auditors had no relation with the Company and its subsidiaries.
- Based on last year, the external auditors performed their duties with knowledge, professional competency, and gave recommendation regarding internal control system and various risks, and also had independence in performing their duties.
- The proposed remuneration was appropriate.

In conclusion, the Audit Committee had fulfilled the responsibility of the Audit Committee Charter that was approved by the Board of Directors and found that the Company disclosed financial and operational information correctly, had appropriate and effective internal control and audit, complied with laws, regulations and obligations, disclosed the connected transactions correctly, performed duties in compliance with the Good Corporate Governance principles, with adequacy, transparency and reliably, and also developed the operation systems to be more qualified and fit with the changing business environment on a continuing basis.

Yours Sincerely,

Krisda Hutaserani

(Mr. Krisda Hutaserani)

Chairman of the Audit Committee

5. Independent Auditor's Report Year 2014-2016

Auditor and Independent Auditor's Report and operating performance in the past 3 years

- Auditor : Mr. Jirote Sirirorote CPA Registration No. 5113

Karin Audit Co., Ltd

6 Fl., Room B1, Boonmitr Building, Silom Road, Bangrak, Bangkok, 10500

- Independent Auditor's Report and operating performance in the past 3 years

Attachment 5.1

5.1 Independent Auditor's Report Year 2014-2015

**DEMETER CORPORATION PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
AND INDEPENDENT AUDITOR’S REPORT**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Demeter Corporation Public Company Limited
(Formerly "Asia Joint Panorama Public Company Limited")

I have audited the accompanying consolidated and separate financial statements of Demeter Corporation Public Company Limited and its subsidiaries and of Demeter Corporation Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2015 and the financial performance and cash flows for the year then ended of Demeter Corporation Public Company Limited and its subsidiaries and of Demeter Corporation Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my conclusion, I draw attention

1. Note 12.2, the Company has invested in Windchai Company Limited's common shares. As at October 12, 2015 the Company is considering the business's fair value, and has assigned the independent appraiser to evaluate such business fair value. At the date of approved financial statements, the Company is considering such information. Accordingly, the fair value of assets and liabilities acquired as at the date of acquisition value estimate may be adjusted as discussed on note 12.2.
2. As discussed in the notes to the financial statements in note 1.2, note 15.2 and note 32.1, the Company has canceled the satellite television co-production broadcasting rights to reduce the contractual obligation to pay compensation for a period long. The Company must pay damages due to the cancellation of these contracts amounting Baht 203.78 million and the Company has recorded losses in the financial statements and as described in the notes to the financial statements in note 15.1, on January 30, 2016, the Company has been engaged into an agreement relating to the purchase of right to manage the broadcasting time with a company of Baht 369.2 million and the such company has agreed to guarantee a minimum income to the Company as stated in the agreement. On November 11, 2015, the such company has entered into debt restructuring agreement to establish rules and procedures for the payment of the debt and debt of upcoming contractual rights of broadcasting time management. The Company has considers that it should not been recognized revenue under the contract described in the financial statements. The Company will recognize revenue for accounting when has received payment. In addition, the Company has determined the allowance for impairment of the carrying value net for the whole amount.

(Mr. Jirote Sirirorote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok

February 26, 2016

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

| | | Unit : Baht | | |
|---|-------|----------------------|----------------------|--------------------|
| | | Consolidated | Separate | |
| | Notes | 2015 | 2015 | 2014 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | | 90,714,931 | 38,143,776 | 147,306,179 |
| Short-term investments | | 502,073,854 | 502,073,854 | - |
| Trade and other receivable - net | | | | |
| - Subsidiaries and related parties | 6.2 | - | 232,193 | - |
| - Others | 8 | 29,016,363 | 24,666,218 | 25,808,105 |
| Amounts due from a former related company - net | 9 | - | - | - |
| Short-term loans and interest receivable to related parties | 6.2 | - | 151,578,082 | - |
| Advance payment - co-production | 10 | 4,948,454 | 4,948,454 | 4,948,454 |
| Other current assets - net | 11 | 70,091,789 | 65,659,722 | 44,110,145 |
| Total current assets | | 696,845,391 | 787,302,299 | 222,172,883 |
| Non-current assets | | | | |
| Investment in associates | 12 | 171,180,768 | - | - |
| Investments in subsidiaries, at cost method | 13 | - | 109,128,686 | - |
| Property, plants and equipment - net | 14 | 62,108,218 | 33,951,400 | 7,008,205 |
| Intangible asset - net | 15 | 127,944,880 | 127,944,880 | 59,106,525 |
| Non-current assets held for sales - net | 16 | - | - | - |
| Deferred tax assets | 17 | - | - | 16,119,233 |
| Other non-current assets | 18 | 606,600 | 592,600 | 9,692,553 |
| Total non-current assets | | 361,840,466 | 271,617,566 | 91,926,516 |
| TOTAL ASSETS | | 1,058,685,857 | 1,058,919,865 | 314,099,399 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2015

| | | Unit : Baht | | |
|--|-------|---------------|---------------|--------------|
| | | Consolidated | Separate | |
| | Notes | 2015 | 2015 | 2014 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current liabilities | | | | |
| Trade and other payable | | 57,465,805 | 45,657,693 | 3,155,562 |
| Advance from programme co-production | | 26,594,147 | 26,594,147 | 9,750,000 |
| Short-term loans from non-related persons | | | | |
| and accrued interest | 19 | - | - | 151,025,205 |
| Loans from third parties | 20 | 5,807,771 | - | - |
| Current portion of financial lease liability | 21 | 1,780,777 | 1,780,777 | 1,015,403 |
| Other current liabilities | | 9,596,348 | 9,210,099 | 2,265,380 |
| Total current liabilities | | 101,244,848 | 83,242,716 | 167,211,550 |
| Non-current liabilities | | | | |
| Financial lease liability - net | 21 | 4,858,570 | 4,858,570 | 3,923,909 |
| Employee benefit obligations | 22 | 1,056,211 | 945,889 | 430,543 |
| Other non-current liabilities | 23 | 2,157,800 | 2,157,800 | 1,409,800 |
| Total non-current liabilities | | 8,072,581 | 7,962,259 | 5,764,252 |
| TOTAL LIABILITIES | | 109,317,429 | 91,204,975 | 172,975,802 |
| SHAREHOLDERS' EQUITY | | | | |
| Share capital | 24 | | | |
| Registered | | | | |
| 590,547,570 common shares of Baht 1.00 each | | 590,547,570 | 590,547,570 | - |
| 300,000,000 common shares of Baht 1.00 each | | - | - | 300,000,000 |
| Issued and paid-up | | | | |
| 525,847,758 common shares of Baht 1.00 each | | 525,847,758 | 525,847,758 | - |
| 200,000,000 common shares of Baht 1.00 each | | - | - | 200,000,000 |
| Share premium | | 1,433,793,014 | 1,433,793,014 | 41,883,991 |
| Share discount for convertible debts | | (6,600,000) | (6,600,000) | (6,600,000) |
| Share discount | | (39,600,000) | (39,600,000) | (39,600,000) |
| Retained earnings (Deficit) | | | | |
| Appropriated - statutory reserve | | 13,000,000 | 13,000,000 | 13,000,000 |
| Unappropriated | | (977,072,344) | (958,725,882) | (67,560,394) |
| TOTAL SHAREHOLDERS' EQUITY | | 949,368,428 | 967,714,890 | 141,123,597 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 1,058,685,857 | 1,058,919,865 | 314,099,399 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

| | | Unit : Baht | | |
|--|-------|----------------------|----------------------|----------------------|
| | Notes | Consolidated | Separate | |
| | | 2015 | 2015 | 2014 |
| Income from programme co-production | | 108,296,637 | 97,542,626 | 137,884,424 |
| Income from broadcasting rights | | 34,117,373 | 34,117,373 | - |
| Income from sponsorship of sport tournament | | 86,430,000 | 86,430,000 | - |
| Total revenues | | 228,844,010 | 218,089,999 | 137,884,424 |
| Cost of programme co-production | | (232,958,063) | (224,792,040) | (116,556,368) |
| Cost of broadcasting rights | | (39,185,877) | (39,185,877) | - |
| Cost of sponsorship of sport tournament | | (85,830,275) | (85,830,276) | - |
| Total costs | | (357,974,215) | (349,808,193) | (116,556,368) |
| Gross profit (loss) margin | | (129,130,205) | (131,718,194) | 21,328,056 |
| Other incomes | | 11,171,131 | 14,837,334 | 3,998,444 |
| Profit (loss) before expenses | | (117,959,074) | (116,880,860) | 25,326,500 |
| Administrative expenses | | (190,266,548) | (158,886,547) | (19,035,787) |
| Amortization from contract termination | | (51,881,561) | (51,881,561) | - |
| Compensation and loss from contract termination | | (151,900,892) | (151,900,892) | - |
| Provision for impairment of intangible assets | | (312,443,216) | (312,443,216) | - |
| Provision for impairment of goodwill | | (40,395,338) | - | - |
| Loss from devaluation of investments | | - | (59,733,333) | - |
| Management benefit expenses | 6.1 | (25,394,250) | (20,253,963) | (3,334,000) |
| Total expenses | | (772,281,805) | (755,099,512) | (22,369,787) |
| Profit (loss) before finance costs and income tax | | (890,240,879) | (871,980,372) | 2,956,713 |
| Finance costs | | (2,692,960) | (2,676,237) | (1,069,858) |
| Share of loss from associates | | (69,232) | - | - |
| Profit (loss) before income tax | | (893,003,071) | (874,656,609) | 1,886,855 |
| Income tax | 28 | (16,119,233) | (16,119,233) | (750,070) |
| Net profit (loss) for the years | | (909,122,304) | (890,775,842) | 1,136,785 |
| Other comprehensive income | | | | |
| Actuarial loss | | (389,646) | (389,646) | - |
| Net profit (loss) on comprehensive income for the years | | (909,511,950) | (891,165,488) | 1,136,785 |
| Basic profit (loss) per share (Baht per share) | 25 | (2.14) | (2.10) | 0.01 |
| Weighted average number of ordinary share (shares) | | 425,030,071 | 425,030,071 | 200,000,000 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

| | | | | | | | Unit : Baht |
|--|--|----------------------|---|---------------------|-----------------------------|----------------------|--------------------|
| Consolidated | | | | | | | |
| Note | Issued and paid-up share capital | Share premium | Share discount for debt to equity conversion | Share discount | Retained earnings (Deficit) | | Total |
| | | | | | Appropriated | Unappropriated | |
| Balance as at January 1, 2015 | 200,000,000 | 41,883,991 | (6,600,000) | (39,600,000) | 13,000,000 | (67,560,394) | 141,123,597 |
| Share capital increase | 24 325,847,758 | 1,391,909,023 | - | - | - | - | 1,717,756,781 |
| Comprehensive loss for the year | - | - | - | - | - | (909,511,950) | (909,511,950) |
| Balance as at December 31, 2015 | 525,847,758 | 1,433,793,014 | (6,600,000) | (39,600,000) | 13,000,000 | (977,072,344) | 949,368,428 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

| | | | | | | | Unit : Baht |
|--|--|----------------------|---|---------------------|-----------------------------|----------------------|--------------------|
| Separate | | | | | | | |
| Note | Issued and paid-up share capital | Share premium | Share discount for debt to equity conversion | Share discount | Retained earnings (Deficit) | | Total |
| | | | | | Appropriated | Unappropriated | |
| Balance as at January 1, 2014 | 200,000,000 | 41,883,991 | (6,600,000) | (39,600,000) | 13,000,000 | (68,697,179) | 139,986,812 |
| Comprehensive income for the year | - | - | - | - | - | 1,136,785 | 1,136,785 |
| Balance as at December 31, 2014 | 200,000,000 | 41,883,991 | (6,600,000) | (39,600,000) | 13,000,000 | (67,560,394) | 141,123,597 |
| Share capital increase | 24 325,847,758 | 1,391,909,023 | - | - | - | - | 1,717,756,781 |
| Comprehensive loss for the year | - | - | - | - | - | (891,165,488) | (891,165,488) |
| Balance as at December 31, 2015 | 525,847,758 | 1,433,793,014 | (6,600,000) | (39,600,000) | 13,000,000 | (958,725,882) | 967,714,890 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

| | Unit : Baht | | |
|--|----------------------|----------------------|---------------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Cash flows from operating activities | | | |
| Net profit (loss) before income tax for the years | (893,003,071) | (874,656,609) | 1,886,855 |
| Adjustments to reconcile net profit (loss) to net cash received | | | |
| (paid) from operating activities: | | | |
| Depreciation | 6,118,865 | 3,532,547 | 266,710 |
| Amortization of intangible asset | 155,111,938 | 155,111,938 | 8,247,423 |
| Unrealized gain on valuation of short-term investment | (2,241,578) | (2,241,578) | - |
| Interest income | (9,113,860) | (7,799,148) | (205,082) |
| Allowance for doubtful account | 107,196,750 | 105,163,750 | 674,100 |
| Employee benefit expenses | 236,022 | 125,700 | 135,718 |
| Gain on disposal of fixed asset | - | - | (1,767) |
| Provision for impairment of goodwill | 40,395,338 | - | - |
| Loss from devaluation of investments | - | 59,733,333 | - |
| Amortization from contract termination | 51,881,561 | 51,881,561 | - |
| Provision for impairment of intangible assets | 312,443,216 | 312,443,216 | - |
| Provision for impairment of fixed assets | 10,859,653 | - | - |
| Share of loss from associates | 69,232 | - | - |
| Interest expenses | 2,641,913 | 2,641,913 | 1,054,329 |
| Profit(loss) from operating activities before changes | | | |
| in operating assets and liabilities | (217,404,021) | (194,063,377) | 12,058,286 |
| (Increase) decrease in operating assets: | | | |
| Trade and other receivable | | | |
| - Subsidiaries and related parties | - | (232,193) | - |
| - Others | (64,352,074) | (64,717,863) | (8,797,932) |
| Debt restructuring | (39,304,000) | (39,304,000) | - |
| Other current assets | (23,293,852) | (20,950,527) | (39,716,025) |
| Other non-current assets | 10,285,953 | 9,099,953 | (1,757,600) |
| Increase (decrease) in operating liabilities: | | | |
| Trade and other payable | 53,000,982 | 42,502,131 | 188,520 |
| Advance from programme co-production | 16,844,147 | 16,844,147 | 9,750,000 |
| Other current liabilities | 7,026,712 | 6,944,721 | 537,246 |
| Other non-current liabilities | 748,000 | 748,000 | (1,250,200) |
| Cash used in operating activities | (256,448,153) | (243,129,008) | (28,987,705) |
| Cash paid for employee benefit | - | - | (744,185) |
| Income tax paid | (1,126,709) | (599,051) | (5,381,919) |
| Net cash used in operating activities | (257,574,862) | (243,728,059) | (35,113,809) |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2015

| | Unit: Baht | | |
|--|------------------------|------------------------|--------------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Cash flows from investing activities | | | |
| Cash paid for purchase of investment in subsidiaries | - | (94,999,950) | - |
| Cash paid for purchase of investment in associates | (171,250,000) | - | - |
| Increase in short-term investments | (499,832,276) | (499,832,276) | - |
| Increase in short-term loans to related company | - | (150,000,000) | - |
| Cash received from interest income | 6,141,769 | 6,221,066 | 205,082 |
| Cash paid for purchase of fixtures and equipment | (25,642,023) | (25,381,742) | (572,669) |
| Proceeds from sale of fixed assets | - | - | 1,767 |
| Cash paid for purchase of intangible asset | (588,275,070) | (588,275,070) | - |
| Net cash used in investing activities | (1,278,857,600) | (1,352,267,972) | (365,820) |
| Cash flows from financing activities | | | |
| Cash received from short-term loans from non-related persons | 23,007,586 | 30,000,000 | 150,000,000 |
| Cash paid for short-term loans from non-related persons | (183,145,753) | (183,145,753) | - |
| Cash received from increase in share capital | 1,643,894,712 | 1,643,894,712 | - |
| Payment of finance lease liability | (3,915,331) | (3,915,331) | (1,626,194) |
| Net cash received from financing activities | 1,479,841,214 | 1,486,833,628 | 148,373,806 |
| Net increase (decrease) in cash and cash equivalents | (56,591,248) | (109,162,403) | 112,894,177 |
| Cash and cash equivalents at beginning of years | 147,306,179 | 147,306,179 | 34,412,002 |
| Cash and cash equivalents at ending of years | 90,714,931 | 38,143,776 | 147,306,179 |
| Supplemental cash flows information: | | | |
| 1) Cash and cash equivalents at end of periods | | | |
| Cash on hand | 125,605 | 100,000 | 100,000 |
| Cash at banks-current accounts | 71,057 | 688 | 30,000 |
| Cash at banks-saving accounts | 90,518,269 | 38,043,088 | 147,176,179 |
| | 90,714,931 | 38,143,776 | 147,306,179 |

Supplemental disclosures of cash flows information :

- For the years ended December 31, 2015 and 2014, the Company have entered into finance lease agreements to purchase of vehicles totalling of Baht 5.09 million and Baht 6.54 million, respectively.
- The Company has issued ordinary share capital increase of 5.63 million shares ,worth Baht 73.82 million at market price in exchange for the purchase of shares in Demeter Media Company Limited (formerly name U Best Point Media Company Limited)

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. General information

1.1 Company information

Demeter Corporation Public Company Limited (formerly name Asia Joint Panorama Public Company Limited) (“the Company”) is a public limited company, incorporated in Thailand and is registered on the Stock Exchange of Thailand. The address of its registered office is 191/43 CTI Tower 21st Floor, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok.

The principal business operations of the Company are providing, production and/or joint production of television satellite programmes and being the representor.

At the Extraordinary General Meeting no.3/2015 held on August 3, 2015, it passed a resolution to change the Company’s name, and revise a memorandum of association guidelines and certificate. The Company has registered to the Ministry of Commerce on August 7, 2015.

1.2 Satellite television business

At the Extraordinary General Meeting of Shareholders no.1/2010 held on November 19, 2010, it passed a resolution to invest in satellite television business in the amount of Baht 41 million. The Company has been engaged into the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. (“the Assignor”) on November 29, 2010 with the right to manage 8 satellite television channels for the period from December 2010 to November 2020 for the period of 10 years.

At the Ordinary General Meeting of Shareholders no.1/2013 held on April 11, 2013, it passed a resolution to invest in satellite television business in the amount of Baht 41 million. The Company has been engaged into the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. (“the Assignor”) on September 8, 2013 with the right to manage 8 satellite television channels for the period from June 2013 to May 2023 for the period of 10 years.

On August 26, 2015, the Company signed an agreement for early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels according to the co-production agreement dated June 8, 2013. Under terms and conditions of the agreement, the Company has deposited an amount of Baht 46,197,401 to guarantee the termination and agreed to compensate such amount for the termination of agreement. The agreement is effective on October 31, 2015 (Note 15).

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

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On November 17, 2015, the Company signed an agreement for early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels by gradually termination for 2 channels effectively from March 31, 2016 to November 15, 2016 according to the co-production agreement dated November 29, 2010. Under terms and conditions of the agreement, the Company has already paid compensation for early contract termination amount of Baht 57,550,946 (Note 32.2). Subsequently on February 25, 2016, the Company signed an agreement for early termination (cancel conditions on gradually termination of the television programmes) with M.V. Television (Thailand) Co., Ltd. to cancel conditions on gradually termination of the television programmes according to the agreement of early termination dated November 17, 2015 and to agree the termination of the 8 satellite television channels effectively within March 31, 2016. The Company paid compensation for contract termination amount of Baht 15.81 million.

On February 13, 2014, the Company has been engaged into a satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. (“the Assignor”) and contract period from February 14, 2014 to November 30, 2015. (terminated June 1, 2014).

In accordance with the terms and conditions stipulated in the agreements and the Company has a long-term agreement commitment as discuss on note 32.1.

On August 8, 2014, the Board of Directors has approved the signing of a memorandum of understanding for the acquisition of Demeter Media Company Limited (formerly name U Best Point Media Company Limited) on June 16, 2014 and approved the signing of a memorandum of understanding to acquire the rights to the concession agreement, charter air time and co-producer of Media Agency Thai Co., Ltd. on June 16, 2014 (Note 32.2).

As at December 31, 2015, the Company has the television programme agreements with 4 producers for co-production of the television programmes to be broadcasted through 8 satellite television channels.

2. Basic of financial statement preparation

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

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

NOTES TO FINANCIAL STATEMENTS

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- 2.2** The consolidated financial statements include the financial statements of the Demeter Corporation Public Company Limited and subsidiaries as follows:

| Subsidiaries | Type of business | Location | Percentage of holding (% of share capital) |
|--|--|----------|---|
| | | | December 31, 2015 |
| Demeter Media Company Limited (formerly name U Best Point Media Company Limited) | providing, production and/or joint production of television satellite programmes | Bangkok | 100.00 |
| Demeter ICT Company Limited (formerly name AJP Information Technology Company Limited) | Information Technology | Bangkok | 99.99 |
| Demeter Power Company Limited (formerly name AJP Power Company Limited) | Energy | Bangkok | 99.99 |

- 2.3** These consolidated financial statements are prepared by including the financial statements of its subsidiaries under control by the Demeter Corporation Public Company Limited after eliminating significant balance and inter-company transactions.

3. Basic of preparation of financial statement and significant accounting policies

3.1 Adoption of new accounting standards

The FAP has issued the following new and revised TFRS relevant and effective for accounting periods beginning on or January 1, 2015:

| <u>TFRS</u> | <u>Topic</u> |
|-----------------------|---|
| TAS 1 (revised 2014) | Presentation of Financial Statements |
| TAS 2 (revised 2014) | Inventory |
| TAS 7 (revised 2014) | Statement of Cash Flows |
| TAS 8 (revised 2014) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2014) | Events After The Reporting Period |
| TAS 11 (revised 2014) | Construction Contracts |
| TAS 12 (revised 2014) | Income Taxes |

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

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| <u>TFRS</u> | <u>Topic</u> |
|------------------------|--|
| TAS 16 (revised 2014) | Property, Plant and Equipment |
| TAS 17 (revised 2014) | Leases |
| TAS 18 (revised 2014) | Revenue Recognition |
| TAS 19 (revised 2014) | Employee Benefits |
| TAS 20 (revised 2014) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2014) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2014) | Borrowing Costs |
| TAS 24 (revised 2014) | Related Party Disclosures |
| TAS 26 (revised 2014) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2014) | Separate Financial Statements |
| TAS 28 (revised 2014) | Investments in Associates and Joint Ventures |
| TAS 29 (revised 2014) | Financial Reporting in Hyperinflationary Economies |
| TAS 33 (revised 2014) | Earnings Per Share |
| TAS 34 (revised 2014) | Interim Financial Reports |
| TAS 36 (revised 2014) | Impairment of Assets |
| TAS 37 (revised 2014) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2014) | Intangible Assets |
| TAS 40 (revised 2014) | Investment Property |
| TFRS 2 (revised 2014) | Share-based Payment |
| TFRS 3 (revised 2014) | Business Combinations |
| TFRS 4 (revised 2014) | Insurance Contracts |
| TFRS 5 (revised 2014) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (revised 2014) | Exploration for and Evaluation of Mineral Resources |
| TFRS 8 (revised 2014) | Operating Segments |
| TFRS 10 | Consolidated Financial Statements |
| TFRS 11 | Joint Arrangements |
| TFRS 12 | Disclosure of Interests in Other Entities |
| TFRS 13 | Fair Value Measurement |
| TSIC 10 (revised 2014) | Government Assistance - No Specific Relation to Operating Activities |
| TSIC 15 (revised 2014) | Operating Leases - Incentives |

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| <u>TFRS</u> | <u>Topic</u> |
|-------------------------|--|
| TSIC 25 (revised 2014) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |
| TSIC 27 (revised 2014) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSIC 29 (revised 2014) | Service Concession Arrangements: Disclosures |
| TSIC 31 (revised 2014) | Revenue - Barter Transactions Involving Advertising Services |
| TSIC 32 (revised 2014) | Intangible Assets - Web Site Costs |
| TFRIC 1(revised 2014) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (revised 2014) | Determining whether an Arrangement contains a Lease |
| TFRIC 5 (revised 2014) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 7 (revised 2014) | Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies |
| TFRIC 10 (revised 2014) | Interim Financial Reporting and Impairment |
| TFRIC 12 (revised 2014) | Service Concession Arrangements |
| TFRIC 13 (revised 2014) | Customer Loyalty Programmes |
| TFRIC 14 | TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 15 (revised 2014) | Agreements for the Construction of Real Estate |
| TFRIC 17 (revised 2014) | Distributions of Non - cash Assets to Owners |
| TFRIC 18 (revised 2014) | Transfers of Assets from Customers |
| TFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine |

Management has considered above new interpretations in accordance with the FAP’s announcement that there has no material impact on the financial statements for current year.

3.2 Financial reporting standard that became effective in the current years.

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

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

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the group, except for disclosures.

3.3 Basis of measurement

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

3.4 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency (unless otherwise stated, e.g. nearest thousand).

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4. Significant accounting policies

Significant accounting policies adopted by the Company are summarised below:

4.1 Recognition of revenues and expenses

Income from television programme co-production is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Sales are recognised upon delivery of products and customer acceptance.

Other income and expenses is recognised on an accrual basis.

Cost of programme co-production is recognized follow No. 4.6.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits at banks with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are carried at anticipated realisable value. An allowance is recorded for doubtful accounts receivable, which is equivalent to the estimated collection losses that may be incurred. The estimated losses are based on historical collection experience combined with a review of the current status of the existing accounts receivable at the balance sheet date. Bad debts are written-off during the year in which they are identified.

4.4 Investments

Investments in associates in the consolidated financial statements are recorded by using the equity method.

Investments in subsidiaries in the separate financial statements are recorded by using the cost method less provision for impairment. The devaluations are recorded as loss from devaluation of investments in the statement of comprehensive income.

General investments in the statement of financial position is recorded by using the cost method less provision for impairment. The devaluations are recorded as loss from devaluation of investments in the statement of comprehensive income.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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4.5 Property, plants and equipment - net

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision (if any).

Property, plant and equipment of subsidiary “Demeter Media Company Limited” (Formerly name “U Best Point Media Company Limited”) in preparing the consolidated financial statements are stated at fair value since the fair value of identifiable assets are appraised for investments.

Depreciation calculated on a straight-line basis to reduce the carrying amount over the estimated useful lives of each part of an item of property, plant and equipment are as follows:

| | Years |
|--|-------|
| Building and building improvements | 20 |
| Furniture fixture and office equipment | 5 |
| Vehicles | 5 |

Where the carrying amount of an asset is greater than its estimated recoverable amount, the cost is written down immediately to its recoverable amount. Estimated recoverable amount is calculated from the anticipated discounted cash flows to their present value from the continuing use of the assets and the amount obtainable from the sale of the assets less any costs of disposal whichever is higher.

Gains and losses on disposal of assets are determined by reference to their carrying amount and are taken into account in determining operation profit.

Expenditures for expansion, renewal and betterment, which result in substantial increase in an asset’s current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

4.6 Intangible asset

Intangible asset represented the right to manage the satellite television channels for 10 year period, and the rights of broadcasting and broadcast sounds in movies for three year period. The Company amortised intangible asset as expense by using the straight line method over the contractual period. And recorded as “Cost of programme co-production” on statement of comprehensive income.

4.7 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiary is separately reported in the consolidated statement of financial position.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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Recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

4.8 Non-current assets heldfor sales

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

4.9 Impairment of assets

The Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

If there is subsequently any indication that previously recognised impairment losses may no longer exists or may have decreased, the Company will make another estimate of the asset's recoverable value, compare this with the book value, and reverse previously recognised impairment to reflect the change in recoverable value.

4.10 Deferred income tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax. Deferred tax liabilities primarily arise from income recognition unrealized revaluation surpluses on property and investment property and deferred tax assets principally arise from allowances for doubtful debts. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deferred tax assets can be utilized.

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4.11 Accounting for leases - where the company is the leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statements of income on a straight-line basis over the lease periods.

The Company recorded the leased assets under financial lease agreement / hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

4.12 Employee benefits

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

The provision for employee retirement benefits is recognised as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the statement of income on a straight-line basis over the average period until the benefits become vested. Any actuarial gains or losses are recognised in the statement of income in the period in which they arise.

4.13 Provisions for liabilities and charges

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

4.14 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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4.15 Corporate income tax

The Company and subsidiaries recorded corporate income tax by calculating from taxable net profit based on the condition described in the Revenue Code.

4.16 Basic earnings (loss) per share

Basic earnings (loss) per share calculated by dividing net income (loss) for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

5. Significant accounting judgments and estimates, and capital risk management

5.1 Critical accounting estimates, assumption and judgements

Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from these estimates.

Estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Finance Lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation to pay future rent, excluding the interest element. Finance charges are recorded to the current period operations by the effective interest rate basis.

Operating leases

The Company has entered into lease agreements for the office rental and equipment. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risk and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

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Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer.

Building and equipment

Management determines the estimated useful lives and residual values for the Company’s equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

5.2 Capital risk management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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6. Transactions with related parties

The Company has several accounting transactions with below related parties, which have the same group of shareholders or directors. Some of assets and revenue transactions incur from those related parties.

| <u>Companies</u> | <u>Relationship</u> |
|---|---|
| Demeter Media Company Limited (formerly name U Best Point Media Company Limited) | Subsidiary |
| Demeter ICT Company Limited (formerly name AJP Information Technology Company Limited) | Subsidiary |
| Demeter Power Company Limited (formerly name AJP Power Company Limited) | Subsidiary |
| Windchai Company Limited | Associate (held by a subsidiary 25 percent) |
| Media Agency Thai Co., Ltd. | ** Major shareholder |

** On June 18, 2015, the Media Agency Thai Co., Ltd., which is the major shareholders of the Company, has sold the Company's ordinary shares to Demeter Financials Inc.

The pricing policies for particular types of transactions are explained further below:

| <u>Transactions</u> | <u>Pricing policies</u> |
|-------------------------------------|---|
| Income from programme co-production | Contract price |
| Income from rental and services | Contract price |
| Cost of programme co-production | Contract price |
| Rental and service expenses | Contract price |
| Management benefit expenses | Consisted of:- allowance for meeting and the remuneration of directors as approved by the directors and shareholder's meeting |

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6.1 Accounting transactions with related parties

Revenue and cost in statements of comprehensive income for the years ended December 31, 2015 and 2014 are as follows:

| | (Unit : Baht) | | |
|--|---------------|------------|-----------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Income from rental and services | | | |
| Demeter Media Company Limited | - | 997,050 | - |
| Demeter ICT Company Limited | - | 572,828 | - |
| Demeter Power Company Limited | - | 244,005 | - |
| | - | 1,813,883 | - |
| Rental and service expenses | | | |
| Demeter Media Company Limited | - | 3,250,000 | - |
| Demeter ICT Company Limited | - | 180,771 | - |
| | - | 3,430,771 | - |
| Management benefit expenses | | | |
| Benefits for directors and managements | 25,394,250 | 20,253,963 | 3,334,000 |

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6.2 Outstanding balances in statements of financial position

| | (Unit : Baht) | | |
|---|---------------|-------------|------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Trade and other receivables | | | |
| Demeter Media Company Limited | - | 122,019 | - |
| Demeter Power Company Limited | - | 38,733 | - |
| Demeter ICT Company Limited | - | 71,441 | - |
| Total trade and other receivables | - | 232,193 | - |
| Aging analysis for accounts receivable were as follows: | | | |
| Within credit terms | - | 210,793 | - |
| Overdue: | | | |
| Not over 3 months | - | 21,400 | - |
| Total | - | 232,193 | - |
| Short-term loans and interest receivable | | | |
| Demeter Power Company Limited | - | 151,578,082 | - |

For the year ended December 31, 2015, the movement of short-term loans and interest receivable is as follows:

| | (Unit : Baht) | | | |
|---|--------------------|-------------|----------|----------------------|
| | Separate | | | |
| | January 1, 2015 | Increase | Decrease | December 31, 2015 |
| Short-term loans and interest receivable | | | | |
| Demeter Power Company Limited | | | | |
| Principal | - | 150,000,000 | - | 150,000,000 |
| interest receivable | - | 1,578,082 | - | 1,578,082 |
| Total | - | 151,578,082 | - | 151,578,082 |

Loans to subsidiary charged interest at 3% per annum.

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7. Revenue and transactions with major customers

7.1 Revenue for the financial statements for the years ended December 31, 2015 and 2014 have transactions with major customers as follows :

| | | | (Unit : Baht) | | |
|---------------------------------------|---------------|------------------|-------------------|-------------------|-------------------|
| | | | Consolidated | Separate | |
| Income from television programme | | | | | |
| co-production | Relationships | Pricing Policies | 2015 | 2015 | 2014 |
| World Entertainment Network Co., Ltd. | Co-Producer | Contract price | - | - | 16,012,903 |
| PSI Broadcasting Co., Ltd. | Co-Producer | Contract price | - | - | 15,000,000 |
| 94 Entertainment Co., Ltd | Co-Producer | Contract price | 32,250,000 | 32,250,000 | 34,350,000 |
| MIC Broadcast Co., Ltd | Co-Producer | Contract price | 58,421,703 | 58,421,703 | 10,000,000 |
| | | | <u>90,671,703</u> | <u>90,671,703</u> | <u>75,362,903</u> |

7.2 Trade accounts receivable - major customers

As at December 31, 2015 and 2014, trade accounts receivable aged by number of months are as follows:

| | | | (Unit : Baht) | | |
|---|--|------------------|------------------|----------|-------------------|
| | | | Consolidated | Separate | |
| | | | 2015 | 2015 | 2014 |
| Trade accounts receivable | | | | | |
| 94 Entertainment Co., Ltd | | - | - | - | 15,408,000 |
| MIC Broadcast Co., Ltd | | 8,577,074 | 8,577,074 | | - |
| Total | | <u>8,577,074</u> | <u>8,577,074</u> | | <u>15,408,000</u> |
| Aging analysis for accounts receivable were as follows: | | | | | |
| Within credit terms | | 919,210 | 919,210 | | 7,704,000 |
| Overdue: | | | | | |
| Not over 3 months | | 4,944,313 | 4,944,313 | | 7,704,000 |
| 3 - 6 months | | 2,713,551 | 2,713,551 | | - |
| Total | | <u>8,577,074</u> | <u>8,577,074</u> | | <u>15,408,000</u> |

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8. Trade and other receivable - net

| | (Unit : Baht) | | |
|--------------------------------------|---------------|--------------|-------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Trade accounts receivable | 99,173,885 | 95,314,085 | 28,994,889 |
| Less allowance for doubtful accounts | (73,250,709) | (71,217,709) | (7,210,096) |
| Trade accounts receivable - net | 25,923,176 | 24,096,376 | 21,784,793 |
| Other receivable | 6,137,225 | 3,613,880 | 5,215,213 |
| Less allowance for doubtful accounts | (3,044,038) | (3,044,038) | (1,191,901) |
| Other receivable - net | 3,093,187 | 569,842 | 4,023,312 |
| Trade and other receivable - net | 29,016,363 | 24,666,218 | 25,808,105 |

Aging analysis for trade accounts receivable were as follows:

| | (Unit : Baht) | | |
|--------------------------------------|---------------|--------------|-------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Within credit terms | 5,631,063 | 5,631,063 | 10,599,347 |
| Overdue: | | | |
| Not over 3 months | 7,490,153 | 6,990,153 | 10,511,346 |
| 3 - 6 months | 74,931,811 | 74,808,673 | - |
| 6 - 12 months | 914,762 | - | 1,348,200 |
| Over 12 months | 10,206,096 | 7,884,196 | 6,535,996 |
| Total | 99,173,885 | 95,314,085 | 28,994,889 |
| Less allowance for doubtful accounts | (73,250,709) | (71,217,709) | (7,210,096) |
| Net | 25,923,176 | 24,096,376 | 21,784,793 |

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Allowance for doubtful accounts have changed during the periods as follows:

| | (Unit : Baht) | | |
|-------------------|---------------|------------|-----------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Beginning balance | 7,210,096 | 7,210,096 | 6,535,996 |
| Increase - net | 66,040,613 | 64,007,613 | 674,100 |
| Ending balance | 73,250,709 | 71,217,709 | 7,210,096 |

As ended of February 25, 2016, the Company received the payment from accounts receivable as follow;

Within credit terms received of Baht 2,033,000.

Overdue, not over 3 months received of Baht 1,016,500.

Overdue, 3 - 6 months received of Baht 9,516,602.

As at December 31, 2015, the Company has allowance for doubtful accounts from one of debtors amount of Baht 61.21 million. The trade receivable defaulted in return the sponsorship from the sport tournament, which the Company was the financial investor with amount of Baht 86.43 million according to the contract project of the golf tournament “Thailand Classic”. The Company is in the process of legal.

9. Amounts due from a former related company - net

| | (Unit : Baht) | | |
|---|---------------|--------------|--------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Amounts due from a former related company | | | |
| - Siam Dimension Stone Co., Ltd. | | | |
| Loans receivable | 70,738,314 | 70,738,314 | 70,738,314 |
| Accrued service income | 2,806,000 | 2,806,000 | 2,806,000 |
| Total | 73,544,314 | 73,544,314 | 73,544,314 |
| Less allowance for doubtful accounts | (73,544,314) | (73,544,314) | (73,544,314) |
| Amounts due from a former related company - net | - | - | - |

The Company has filed a Civil Court against the receivable on October 15, 2012. And on December 17, 2012, the Civil Court judged that the customer as the defendant had to pay the debt as amount of Baht 73.54 million with the interest rate of 7.5 percent per annum. As at December 11, 2015, the Company has filed to the Central Bankruptcy Court for the bankrupt.

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10. Advance payment - co-production

As at December 31, 2015, the Company has advance payment - co-production for January 2016 amount of Baht 4,948,454 by having the remaining commitment of the agreement (Note 32.1).

11. Other current assets - net

| | (Unit : Baht) | | |
|----------------------------|---------------|------------|------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Value added tax receivable | 47,645,845 | 46,598,721 | 918,645 |
| Other deposits (Note 32.3) | 4,814,984 | 2,284,120 | 39,556,750 |
| Others - net | 17,630,960 | 16,776,881 | 3,634,750 |
| Total | 70,091,789 | 65,659,722 | 44,110,145 |

12. Investments in joint ventures

12.1. The movement of investments in associate for the year ended December 31, 2015 are as follows:

| | (Unit : Baht) |
|-------------------------------------|---------------|
| | Consolidated |
| As at January 1, 2015 | - |
| Purchase / Increase investment | 171,250,000 |
| Loss from investments in associates | (69,232) |
| As at December 31, 2015 | 171,180,768 |

12.2. Details of investments in associate consist of:

| Associate | Nature of business | Paid-up capital | Investment Units of subsidiaries | Shareholding percentage | Consolidated | |
|--------------------------|--------------------|-----------------|----------------------------------|-------------------------|-----------------|--------------------------------|
| | | | | | At cost | Book value under equity method |
| | | 2015 | 2015 | 2015 | 2015 | 2015 |
| | | (Baht) | (Unit) | (%) | (Thousand Baht) | (Thousand Baht) |
| Windchai Company Limited | Wind Energy | 5,000,000 | 12,500 | 25 | 171,250 | 171,180 |

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The Board of Directors’ Meeting No.11/2015 held on October 8, 2015, approved the purchase of common stock of a Windchai Company Limited the principal business operations the energy from K-Shipping Co.,Ltd. of Baht 12,500 its shareholding of 25 percent of the registered capital with a par value of Baht 13,700 totaling Baht 171,250,500 and purchase of common stock invested by Demeter Power Company Limited (subsidiaries). The Company registered a share transfer on October 12, 2015, which its shareholding of 25 percent of paid-up share capital.

As at December 31, 2015, the Company is considering the business’s fair value, and has assigned the independent appraiser to evaluate such business fair value. At the date of approved financial statements, the Company is considering such information. Accordingly, the fair value of assets and liabilities acquired as at the date of acquisition is the estimated value and may be adjusted.

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values for certain acquisitions of businesses acquired during 2015 is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

13. Investments in subsidiaries

As at December 31, 2015, investments in subsidiaries are as follows:

| Companies | (Unit : Baht) | | |
|--|----------------------------------|--------------|--------------------|
| | Issued and paid-up share capital | % of Holding | At cost |
| Demeter Media Company Limited | 48,000,000 | 100.00 | 73,862,069 |
| Demeter ICT Company Limited | 10,000,000 | 99.99 | 9,999,970 |
| Demeter Power Company Limited | 85,000,000 | 99.99 | 84,999,980 |
| <u>Less</u> Allowance for devaluation of investments | | | (59,733,333) |
| Total | | | <u>109,128,686</u> |

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13.1 The Extraordinary General Meeting of Shareholders No. 2/2014 held on November 26, 2014, approved an investment in The Demeter Media Company Limited (formerly name U Best Point Media Company Limited) by purchasing the common shares at the amount of 480,000 shares, equivalent to 100% of total shares of Demeter Media Company Limited. The Company issued the capital increase common shares at the amount of 5,625,000 shares at the par value of Baht 1 per share with the offering price of Baht 8 per share (the offering price reference from the shares' weighted average price in SET for 15 working days before the Board of Director's meeting date), total amount of Baht 45 million in return. The chairman of executive board was assigned to work on the contracts that related to acquired transactions and also to execute on any necessary activities related to such transactions. The Company has recorded the investments in subsidiaries with the fair value of the company shares' weighted average price for 14 days before and after the date of registration of share transfer of the subsidiary. The Company shares' weighted average price is Baht 13.13.

In the year of 2015, the Company has recorded the allowance for devaluation of investment in subsidiaries in the separate financial statement amount of Baht 59.73 million and written off goodwill in the consolidated financial statement amount of Baht 40.40 million due to the decrease of fair value.

13.2 At the Board of director's meeting No.2/2015 held on January 21, 2015, it passed a resolution as follows:

- 1) The Company invests in the newly established company named “Demeter ICT Company Limited (formerly name AJP Information Technology Company Limited)” at 99.99 % of registered share capital in the amount of Baht 9.99 million. The new company was registered on February 9, 2015.
- 2) The Company invests in the newly established company named “Demeter Power Company Limited (formerly name AJP Power Company Limited)” at 99.99 % of registered share capital in the amount of Baht 9.99 million. The new company was registered on February 9, 2015.

13.3 On July 17, 2015 the Company has paid up share capital of a subsidiary (AJP Power Company Limited), a total of 7.5 million shares at par value of Baht 10, totaling Baht 75 million.

13.4 The Board of Directors' Meeting No.11/2015 held on October 8, 2015, approved the incorporation of the Company's subsidiary to operate the business of providing loans to individuals (Nano-Finance) by having the registered capital of Baht 50,000,000, divided into 10,000,000 shares, with the par value of Baht 5 per share.

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14. Property, plants and equipment - net

Movements of the property, plants and equipment - net account during for the year ended December 31, 2015, are summarized below.

| | | | | | | (Unit : Baht) |
|--|--------------------|-------------|----------|--------------|--------------------------|----------------------|
| | Consolidated | | | | | |
| | January 1, 2015 | Increase | Decrease | Transfer | Acquisition (Note 30) | December 31, 2015 |
| <u>Cost</u> | | | | | | |
| Land | - | - | - | - | 13,356,941 | 13,356,941 |
| Building | - | - | - | - | 16,713,059 | 16,713,059 |
| Building improvements | - | 190,000 | - | 16,065,360 | - | 16,255,360 |
| Tools and equipment | - | 10,219 | - | - | 12,551,500 | 12,561,719 |
| Furniture, fixture and office equipment | 553,269 | 7,571,321 | - | 2,054,463 | 1,002,835 | 11,181,888 |
| Vehicle | 6,536,383 | 5,160,000 | - | - | - | 11,696,383 |
| Construction in progress | 315,340 | 17,804,483 | - | (18,119,823) | - | - |
| Total | 7,404,992 | 30,736,023 | - | - | 43,624,335 | 81,765,350 |
| <u>Accumulated depreciation</u> | | | | | | |
| Building | - | (529,073) | - | - | (460,333) | (989,406) |
| Building improvements | - | (427,188) | - | - | - | (427,188) |
| Tools and equipment | - | (1,858,133) | - | - | (1,446,954) | (3,305,087) |
| Furniture, fixture and office equipment | (222,726) | (1,298,690) | - | - | (374,540) | (1,895,956) |
| Vehicle | (174,061) | (2,005,781) | - | - | - | (2,179,842) |
| Total | (396,787) | (6,118,865) | - | - | (2,281,827) | (8,797,479) |
| Allowances for impairment of assets | - | | | | | (10,859,653) |
| Net | 7,008,205 | | | | | 62,108,218 |
| <u>Depreciation expense for the year</u> | | | | | | |
| December 31, 2015 | | | | | | 6,118,865 |

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| | (Unit : Baht) | | | | |
|--|--------------------|-------------|----------|--------------|----------------------|
| | Separate | | | | |
| | January 1, 2015 | Increase | Decrease | Transfer | December 31, 2015 |
| <u>Cost</u> | | | | | |
| Building improvements | - | 190,000 | - | 16,065,360 | 16,255,360 |
| Furniture, fixture and office equipment | 553,269 | 7,321,259 | - | 2,054,463 | 9,928,991 |
| Vehicle | 6,536,383 | 5,160,000 | - | - | 11,696,383 |
| Construction in progress | 315,340 | 17,804,483 | - | (18,119,823) | - |
| Total | 7,404,992 | 30,475,742 | - | - | 37,880,734 |
| <u>Accumulated depreciation</u> | | | | | |
| Building improvements | - | (427,188) | - | - | (427,188) |
| Furniture, fixture and office equipment | (222,726) | (1,099,578) | - | - | (1,322,304) |
| Vehicle | (174,061) | (2,005,781) | - | - | (2,179,842) |
| Total | (396,787) | (3,532,547) | - | - | (3,929,334) |
| Net | 7,008,205 | | | | 33,951,400 |
| <u>Depreciation expense for the years</u> | | | | | |
| December 31, 2015 | | | | | 3,532,547 |
| December 31, 2014 | | | | | 266,710 |

As of December 31, 2015, the Company and subsidiaries have a portion of property with historical costs of Baht 217,112 are in use but fully depreciated (Separate : Baht 9,981).

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15. Intangible asset - net

Movements of intangible asset - net for the years ended December 31, 2015 and 2014 are as follow:

| | (Unit : Baht) | | |
|--|---------------|---------------|--------------|
| | Consolidated | Separated | |
| | 2015 | 2015 | 2014 |
| <u>Cost</u> | | | |
| Beginning balance | 82,474,228 | 82,474,228 | 82,474,228 |
| Additions | 588,275,070 | 588,275,070 | - |
| Transfer out | (51,881,561) | (51,881,561) | - |
| Ending balance | 618,867,737 | 618,867,737 | 82,474,228 |
| <u>Accumulated amortization</u> | | | |
| Beginning balance | (23,367,703) | (23,367,703) | (15,120,280) |
| Accumulated amortization for the years | (155,111,938) | (155,111,938) | (8,247,423) |
| Transfer out | - | - | - |
| Ending balance | (178,479,641) | (178,479,641) | (23,367,703) |
| <u>Ending balance</u> | 440,388,096 | 440,388,096 | 59,106,525 |
| <u>Less Allowance for impairment</u> | (312,443,216) | (312,443,216) | - |
| <u>Net</u> | 127,944,880 | 127,944,880 | 59,106,525 |

For the year 2015, intangible asset-net are as follows:

15.1 On January 30, 2015, the Company entered into an Agreement relating to the purchase of the right to manage the broadcasting time (the “**Broadcasting Right Purchase Agreement**” or the “**BPA**”) with Media Agency Thai Company Limited (“**MAT**”). Under the BPA, the Company has been appointed as a co-manager, with the exclusive right to manage the broadcasting time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time and products and services advertised through 5 satellite television channels (the “**Right to Manage the Satellite Television Broadcasting**”) for a period of 3 (three) years commencing on January 30, 2015 and ending on January 29, 2018. In consideration of the Right to Manage the Satellite Television Broadcasting, the Company agreed to make payments to MAT consisting of a) a onetime payment in the total amount of Baht 369,200,000 within 15 days from the date of the BPA, and monthly payments in the amount of Baht 10,300,000 (excluded VAT) throughout the term of the BPA. Under the BPA, MAT agrees to guarantee a monthly minimum income amount derived from the BPA for the Company in the amount of VAT included of Baht 24,000,000 for the first year, Baht

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19,000,000 for the second year, and Baht 12,900,000 for the third year. If the income derived from the BPA is less than the aforementioned guaranteed amounts, MAT agrees to compensate the Company by making payments of the shortfall amount in order to procure that the Company receives the guaranteed amounts within the 25th day of each month, and the first payment shall be made by MAT on February 2015.

For the period between February 2015 and September 30, 2015, there are outstanding payments relating to the guaranteed minimum income consisting of the principal amount of Baht 93,543,538.46 and the default interest thereon in the amount of Baht 1,703,493.75 (together referred to as the “**Outstanding Payments**”) to be paid by MAT to the Company.

The Company and MAT negotiated on this matter and agreed to enter into the following agreements for the settlement of debts arising out of or that will arise from the BPA:

1. The Outstanding Payments

On November 11, 2015, the Company and MAT entered into the Debt Restructuring Agreement in order to set out a repayment plan for the Outstanding Payments (the principal amount of Baht 93,543,538.46 and the default interest thereon in the amount of Baht 1,703,493.75) for MAT. According to the Debt Restructuring Agreement, the Company and MAT agree that payment of the Outstanding Payments shall be made by 36 installments, provided that the first installment shall be made on the last business day of December 2015 and each of next installments shall be made on the last business day of each month. In this respect, MAT shall repay the unpaid default interest to the Company together with the last installment.

2. Other future debts which may arise from the BPA

For other future debts which may arise from the BPA (including the guaranteed minimum income), MAT informed the Company that MAT will be entitled to the right to broadcast the Spain Copa del Rey 2015/16, 2016/17 and 2017/18 in Thailand and the right to broadcast the Golf European Tour Program in Thailand for 3 seasons i.e. the years 2016, 2017 and 2018 (together referred to as the “**Broadcasting Rights**”). In this regard, MAT agrees to negotiate with a broadcasting operator operating a television channel in order to grant the Broadcasting Rights to such operator. Based on the information provided by MAT, upon successful negotiation of this, MAT shall be entitled to the right to manage the advertising time during the broadcasting of such competition programs.

On September 1, 2015, MAT entered into the Sub-Lease Agreement for lease of a broadcasting channel for the broadcasting of the Golf European Tour Program with GTC Media Limited (the “**Sub-Lease Agreement**”). Under the Sub-lease Agreement, MAT is entitled to the right to manage the advertising time and receive the income derived from sale of the advertising time during the broadcasting of the Golf

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European Tour Program (the right to manage the advertising time during the broadcasting of the Spain Copa del Rey and the Golf European Tour Program shall be referred to as the “**Right to Sell the Advertising Time**”).

MAT proposed to the Company that, after receipt of the money derived from the Right to Sell the Advertising Time, MAT will use such money for the repayment of all outstanding payments and other debts owed to the Company. Nevertheless, the Company viewed that there was a possibility that MAT may fail to manage or sell such Right to Sell the Advertising Time or may default on other payments due. Consequently, the Company and MAT negotiated on this matter and agreed that MAT would transfer the Right to Sell the Advertising Time to the Company. In addition, the Company would still be entitled to the income derived from the BPA, provided that the Company sets off the outstanding debts arising from the BPA against the income generated by the Company as a result of the management or sale of the Right to Sell the Advertising Time.

Therefore, on November 10, 2015, the Company entered into the Agreement relating to the repayment method under the Broadcasting Right Purchase Agreement with MAT (the “**Repayment Agreement**”). The objective of the Repayment Agreement is to specify and set out the terms and conditions for the repayment of the outstanding debts and other future debts which may arise from the BPA between the Company and MAT (excluding the Outstanding Payments). In order to ensure that the Company shall receive all money derived from the management or sale of the Right to Sell the Advertising Time, the Repayment Agreement requires MAT to exclusively transfer to the Company the Right to Sell the Advertising Time.

According to the Repayment Agreement, MAT shall transfer to the Company the Right to Sell the Advertising Time. By execution of the Repayment Agreement, the Company shall be entitled to manage the broadcasting time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time or do other actions for generating income from such Right to Sell the Advertising Time (As the mentioned right is a management right, therefore the Company shall be entitled to deduct other expenses relating to the management and sale of such right from the revenue generated from such right). The net profit derived from the Right to Sell the Advertising Time shall be set off against the debts arising out from the BPA owed by MAT to the Company.

Furthermore, the execution of the Repayment Agreement is not considered as a novation. In this regard, the Repayment Agreement does not restrain MAT from performing its duties and obligations under the BPA. The Company and MAT intend to set forth methods for the repayment of debts arising out of the BPA and entitle the Company to deduct the income generated by the Right to Sell the Advertising Time from

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outstanding debts owed by MAT under the BPA. The Company shall also be entitled to claim the guaranteed minimum income provided by MAT to the Company under the BPA.

From the incident, the company hasn't recognized revenues of the BPA on statement unless receipt of the money from MAT. The Company has considered for record a allowance for impairment the rights on statement. In this regard, the company hasn't recorded the recognized revenues determined by FAP has issued the TAS 18 (revised 2014) Revenue Recognition.

- 15.2** The rights to manage the satellite television channels for 16 channels at the cost of Baht 82 million including the rights for the period from December 2010 to November 2020 for 8 channels, and for the period from June 2013 to May 2023 for 8 channels.

On August 26, 2015, the Company signed an agreement of early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels for the period from June 2013 to May 2023 and wrote off intangible assets amount of Baht 31.62 million.

On November 17, 2015, the Company signed an agreement of early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels for the period from December 2010 to November 2020 by gradually termination. The Company wrote off intangible assets amount of Baht 20.26 million.

- 15.3** The rights of broadcasting and broadcast sounds in movies and EDGE SPORT contents at the cost of Baht 185.28 million. The Company has recorded a provision for impairment of broadcasting movies amount of Baht 22.49 million.

- 15.4** The rights of live broadcast of soccer match at the cost of Baht 48 million. The Company has recorded a provision for impairment amount of Baht 43.66 million.

Amortization expenses for the years ended December 31, 2015 and 2014, amount of Baht 155.11 million and Baht 8.24 million respectively, were recorded as “Cost of programme co-production” on statements of comprehensive income.

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16. Non-current assets held for sales - net

As at December 31, 2015 and 2014, non-current assets held for sales were non-operating assets represented the following assets for the construction stone mining which have been suspended, at the cost of Baht 17.02 million and the Company has made a provision for impairment all.

17. Deferred tax assets

The analysis of deferred tax assets and deferred tax liabilities are as follows:

| | (Unit : Baht) | | |
|---------------------------------|---------------|-----------|------------|
| | Consolidated | Separated | |
| | 2015 | 2015 | 2014 |
| Deferred tax assets | | | |
| Allowance for doubtful accounts | - | - | 16,033,124 |
| Employee benefit obligations | - | - | 86,109 |
| Deferred tax - net | - | - | 16,119,233 |

18. Other non-current assets

| | (Unit : Baht) | | |
|---|----------------|----------------|------------------|
| | Consolidated | Separated | |
| | 2015 | 2015 | 2014 |
| Guarantee - the assignor of co-production | - | - | 9,114,953 |
| Other deposits (Note 32.4) | 606,600 | 592,600 | 577,600 |
| Debt restructuring | 39,304,000 | 39,304,000 | - |
| Allowance for doubtful accounts | (39,304,000) | (39,304,000) | - |
| Total | 606,600 | 592,600 | 9,692,553 |

On July 15, 2015, the Company signed an agreement of debt restructuring and acknowledgement of debt of a debtor. Under the terms of the agreement, the debtor will complete the debt repayment within 36 months by monthly installment, completing in July 2018 as following terms;

The 1st month period to the 12th month period, to pay not less than Baht 500,000.

The 13th month period to the 33th month period, to pay not less than Baht 1,500,000.

The 34th month period to the 35th month period, to pay not less than Baht 2,000,000.

The debtor agreed to pay the remaining debt within the 36th period (July 2018).

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As at December 31, 2015, the Company has recorded a provision for doubtful accounts from debt restructuring in full amount since the debtor defaulted in the payment according to the agreement of debt restructuring and acknowledgement of debt.

19. Short-term loans from non-related persons and accrued interest

| | (Unit : Baht) | | |
|------------------|---------------|-----------|-------------|
| | Consolidated | Separated | |
| | 2015 | 2015 | 2014 |
| Short-term loan | - | - | 150,000,000 |
| Accrued interest | - | - | 1,025,205 |
| Total | - | - | 151,025,205 |

The movement of short-term loans from non-related persons and accrued interest is as follows:

| | (Unit : Baht) | | | |
|------------------|--------------------|------------|---------------|----------------------|
| | January 1, 2015 | Increase | Decrease | December 31, 2015 |
| Short-term loans | 150,000,000 | 30,000,000 | (180,000,000) | - |
| Accrued interest | 1,025,205 | 2,120,548 | (3,145,753) | - |
| Total | 151,025,205 | 32,120,548 | (183,145,753) | - |

Short-term loan charged interest at 4% and 5% per annum.

20. Loans from other persons

Loan from other persons who are a group of old shareholders of a subsidiary company.

21. Finance lease liability - net

| | (Unit : Baht) | | |
|---|---------------|-------------|-------------|
| | Consolidated | Separated | |
| | 2015 | 2015 | 2014 |
| Finance lease liability | 7,554,792 | 7,554,792 | 5,779,139 |
| <u>Less</u> Deferred interest expense | (915,445) | (915,445) | (839,827) |
| Net | 6,639,347 | 6,639,347 | 4,939,312 |
| <u>Less</u> Current portion due within one year | (1,780,777) | (1,780,777) | (1,015,403) |
| Net | 4,858,570 | 4,858,570 | 3,923,909 |

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22. Provision for employee benefits

An independent actuary carried out an evaluation of the Company’s obligations for employees’ long-term benefits using the projected unit credit method. The Company has provided the provision for employees’ long-term benefits as follows:

| | (Unit : Baht) | | |
|---|------------------|----------------|----------------|
| | Consolidated | Separated | |
| | 2015 | 2015 | 2014 |
| Provision for employee benefits - beginning | 430,543 | 430,543 | 1,039,010 |
| Employee benefit expenses | | | |
| Current service cost | 221,698 | 111,376 | 113,074 |
| Interest cost | 14,324 | 14,324 | 22,644 |
| Actuarial loss | 389,646 | 389,646 | - |
| <u>Less</u> liability decrease from actual paid | - | - | (744,185) |
| Provision for employee benefits - ending | <u>1,056,211</u> | <u>945,889</u> | <u>430,543</u> |

Principal actuarial assumptions at the reporting date (Actuarial basis)

| | (Unit : Baht) | | |
|----------------------------|---------------|-----------|------|
| | Consolidated | Separated | |
| | 2015 | 2015 | 2014 |
| Discount rate (%) | 3.01- 4.03 | 3.01 | 3.33 |
| Future salary increase (%) | 5.00 | 5.00 | 7.00 |
| Retirement age (years old) | 60 | 60 | 55 |

23. Other non-current liabilities

| | (Unit : Baht) | | |
|------------------------------------|------------------|------------------|------------------|
| | Consolidated | Separated | |
| | 2015 | 2015 | 2014 |
| Guarantee received - co-production | <u>2,157,800</u> | <u>2,157,800</u> | <u>1,409,800</u> |

As at December 31, 2015 and 2014, the Company entered into the television programmes agreements with 4 producers, for co-production of the television programmes to be broadcasted through 8 satellite television channels

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and 13 satellite television channels. respectively, In accordance with the agreements, these co-producers were required to pay monthly fees in advance before broadcasting and to provide guarantees as stipulated in the agreements. However, the Company received guarantees in amount of Baht 19.74 million and 20.46 million as followings:

As at December 31, 2015, comprise of Baht 1.36 million in cash and undated cheque in the amount of Baht 18.38 million.

As at December 31, 2014, comprise of Baht 1.41 million in cash and undated cheque in the amount of Baht 19.05 million.

24. Share capital and warrants

24.1 Share capital

1. The Extraordinary General Meeting of Shareholders No. 2/2014 held on Wednesday, November 26, 2014, approved registered capital increase of the company for another Baht 91,775,000 from the existing registered capital in the amount of Baht 300,000,000 to Baht 391,775,000 by issuing capital increase common shares in the amount of 91,775,000 shares. The specified share par value is at Baht 1 in order to enter into acquisition of property with shareholders of Demeter Media Company Limited (formerly name U Best Point Media Company Limited) ("DMedia") and acquisition of the asset with Media Agency Thai Co., Ltd. ("Media Agency") and allocation of the issuing capital increase common shares to Mr. Thana Benchathikul as follows:
 - 1) The newly issued capital increase common shares to be allocated to the shareholders of DMedia at the amount of 5,625,000 shares at the offering price of 8 Baht per share and from such newly issued shares, the Company will receive the common shares of DMedia at the amount of 480,000 shares at the par value of 100 Baht.
 - 2) The newly issued capital increase common shares to be allocated to Media Agency at the amount of 46,150,000 shares at the offering price of 8 Baht per share and the Company shall take step on obtaining the right of managing airing time from Media Agency.
 - 3) The newly issued capital increase common shares to be allocated to Mr. Thana Benchathikul at the amount of 12,000,000 shares at the offering price of 8 Baht per share.

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The Company registered the increase share capital with the Ministry of Commerce on January 29, 2015, and registered the paid-up capital for 51,775,000 shares and 12,000,000 shares on February 6, 2015 and February 16, 2015 respectively; therefore, the paid-up capital of the Company is Baht 263,775,000.

2. The Extraordinary General Meeting of Shareholders No. 2/2015 which was held on February 19, 2015, passed the resolutions as follows.

- 1) Approved the increase in the registered capital of the Company an amount of Baht 263,775,000 from the current registered capital of Baht 391,775,000 to Baht 655,550,000 by issuing 263,775,000 ordinary shares with the par value of Baht 1 per share, to accommodate the allocation of the newly issued shares to the shareholders proportionate to their shareholding (Right Offering).
- 2) Approved the amendment of Clause 4 of the Company’s Memorandum of Association in order to be consistent with the capital increase, using the following message instead.

“Article 4 Share capital registered amount of baht 655,550,000 (six hundred and fifty-five million, five hundred and fifty thousand baht).

Divided into 655,550,000 shares (six hundred and fifty-five million, five hundred and fifty thousand shares)

Par value baht 1 (one baht)

Common share 655,550,000 shares (six hundred and fifty-five million, five hundred and fifty thousand shares)

Preference share - share (-)”

- 3) Approved the allocation of 263,775,000 newly issued shares at the par value of Baht 1 per share to the existing shareholders proportionate to their shareholding (Right Offering) at a ratio of 1 existing share per 1 new share, at the offering price of Baht 6 per share.
- 4) Approved the issuance of the debentures in an amount of not exceeding Baht 2,000 million or in an equivalent amount in another currency, with the following details:

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| | |
|-----------------------|---|
| Objective | To expand future business of the Company and for revolving fund of the Company. |
| Type | All types and all kinds of debentures (with or without collateral), depending on the appropriateness of the market condition at the time that each debenture is issued and offered. |
| Currency | Baht and/or foreign currency by using the exchange rate each time the debenture is issued and offered. |
| Total value | Not exceeding Baht 2,000,000,000 or in an equivalent amount in another currency. In this regard, the Company is able to issue and offer additional debentures and/or issue and offer debentures in place of the existing debentures which have been redeemed within such credit line. Any debenture issued by the Company at any time shall have a value not exceeding such credit line. |
| Term of the debenture | Not exceeding 5 years from the date of each issuance. |
| Offering | To offer for one time or several times and/or as a project and/or on a revolving basis, though a public offering and/or private placement and/or offer to local institutional investors and/or international investors, at the same time or at a different time, pursuant to the Notification of the Securities and Exchange Commission and/or the Office of the Securities and Exchange Commission and/or other related regulations which are in force at the time such debenture is issued and offered. |
| Call redemption | The debenture-holder and the Company may or may not have the right to redeem their debentures before their maturity date, depending on the terms and conditions of each issuance of debentures. |
| Interest rate | Depending on the market condition at the time of the issuance and offering of the debenture, or the terms and conditions of the debenture issued at such time, pursuant to the Notification of the Securities and Exchange Commission and/or the Office of the Securities and Exchange Commission and/or other related regulations which are in force at the time such debenture is issued and offered. |

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Other details The Board of Directors, including the person assigned by the Board of Directors, shall have the following powers:

- (1) To determine details relevant to the debentures, including the type, name, interest rate, redemption period, appointment of the debenture-holder’s representative, as well as the details relating to the offering, including but not limited to, price, procedure and offering and allotment period.
- (2) To appoint the financial advisor and/or the underwriter and/or credit rating institution of the issuer and/or the securities and/or any other person where the appointment is regulated as required by the relevant rules or in any other cases in which the Company deems it appropriate.
- (3) To deal with, negotiate, execute and/or amend the agreements and/or documentation, as well as provide information, submit documentation to the Office of the Securities and Exchange Commission and/or other agencies relating to the issuance and offering of such debentures, including the undertaking of any actions relevant to or necessary for such transaction as it is deemed appropriate.

The Company registered the increase of paid-up capital amount of 166,712,646 shares with the Ministry of Commerce on April 7, 2015; therefore, the paid-up capital of the Company is Baht 430,487,646. The Company received money from the capital increase at the amount of 166,712,646 shares at the offering price of Baht 6 per share, total amount of Baht 1,000,275,876 on April 3, 2015.

3. The Board of Directors’ Meeting No. 2/2015 which was held on January 21, 2015, passed the resolutions as follows.

- 1) To approve the establishment of 2 subsidiaries which details are as follows:

- 1.1) Demeter ICT Company Limited (formerly name AJP Information Technology Company Limited) or DICT, which have the registered capital of Baht 10,000,000, divided into 1,000,000 shares, with the par value of Baht 10 per share. The main objective of DICT is to engage in the business of information technology and related business. The Company will hold 999,998 shares, equivalent to 99.99 percent of the total shares in DICT.

- 1.2) Demeter Power Company Limited (formerly name AJP Power Company Limited) or DPower, which have the registered capital of Baht 10,000,000, divided into 1,000,000 shares, with the par value of

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Baht 10 per share. The main objective of DPower is to engage in the energy business and related business. The Company will hold 999,998 shares, equivalent to 99.99 percent of the total shares in DPower.

4. As the Annual General Meeting of Shareholders No. 1/2015 (as adjourned) which was held on May 14, 2015, approved the reduction of the registered capital of the Company from Baht 655,550,000 to Baht 558,487,646 by canceling 97,062,354 unissued registered shares of the Company with a par value of Baht 1 per share and approved the increase of the registered capital of the Company from Baht 558,487,646 to Baht 590,547,570 by issuing 32,059,924 newly issued ordinary shares with a par value of Baht 1 per share. The Company has registered the change in paid-up share capital with the Ministry of Commerce on May 28, 2015.

24.2 Warrants

As of May 26, 2014, warrant to purchase ordinary shares of the Company has been listed on the Stock Exchange of Thailand (trading commencement on May 26, 2014) - DCORP-W1 with major characteristics as follows:

| | |
|---------------------|---|
| Number of Warrants: | Not exceeding 100,000,000 units |
| Underlying Shares: | Not exceeding 100,000,000 shares |
| Rights of Warrants: | The holder of warrant certificate has the right to purchase ordinary share of the Company of 1 warrant for 1 new share with the exercise price of Baht 3 per 1 ordinary share (unless the exercise price is adjusted according to the conditions of the rights adjustment)**. |
| Type of Warrants: | Named certificate and transferable |
| Term of Warrants: | 3 years from the issuance date |

- ** The Board of Directors' Meeting No. 4/2015 which was held on March 16, 2015, passed the resolutions on the adjustment to the exercise ratio and the exercise price of warrants. The 1 unit of warrant shall be entitled to purchase 1.60 newly issued share. The new exercise price is Baht 1.87 per share. The Company will reserve the capital increase at the amount of 160,059,924 shares.

On May 8, 2015 the warrant holders of DCORP-W1 exercised 37,229,948 units and the Company received Baht 111,642,395 from the issuance of 59,669,878 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on May 20, 2015. The Company therefore has paid-up capital of Baht 490,157,524.

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On August 25, 2015 the warrant holders of DCORP-W1 exercised 13,664,574 units and the Company received Baht 40,976,301 from the issuance of 21,900,741 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on August 26, 2015. The Company therefore has paid-up capital of Baht 512,058,265.

On November 25, 2015, the warrant holders of DCORP-W1 exercised 8,603,700 units and the Company received Baht 25,800,141 from the issuance of 13,789,493 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on December 2, 2015. The Company therefore has paid-up capital of Baht 525,847,758.

As at December 31, 2015, the outstanding balance of unexercised warrants was 40,368,209 units.

25. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the year adjusted for the effect of conversion of warrant to ordinary share.

| | For the years ended December 31, | | |
|--|----------------------------------|----------|---------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Diluted loss per share (Baht) | (1.95) | (1.91) | 0.01 |
| Weighted average number of ordinary shares (Thousand shares) | 465,068 | 465,068 | 272,011 |

26. Legal reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

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27. Network provider license

The National Broadcasting and Telecommunications Commission (NBTC) granted licenses period August 13, 2013 - August 12, 2028.

The company has obliged to comply with certain conditions as stated in the licenses, and to pay annual license fees, together with a fee for the Universal Service Obligation (USO) in accordance with conditions and requirements stipulated by the NBTC.

| | (Unit : Baht) | |
|------------------------------|----------------------|-------------------|
| | Income after license | Total |
| Income from network provider | 94,838,296 | 94,838,296 |
| Income from service provider | 2,704,330 | 2,704,330 |
| Total | 97,542,626 | 97,542,626 |

28. Income tax

Income tax recognized in profit or loss

For the years ended December 31, 2015 and 2014, income tax expense consisted of the following:

| | (Unit : Baht) | | |
|---|-------------------|-------------------|----------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Income tax | | | |
| Income tax for the years | - | - | 763,197 |
| Deferred tax | | | |
| Relating to origination and reversal of temporary differences | 16,119,233 | 16,119,233 | (13,127) |
| Income tax in statements of comprehensive income | <u>16,119,233</u> | <u>16,119,233</u> | <u>750,070</u> |

Reconciliation of effective tax rate

| | (Unit : Baht) | | | | | |
|--|---------------|---------------|----------|---------------|----------|----------------|
| | Consolidated | | Separate | | | |
| | Rate (%) | 2015 | Rate (%) | 2015 | Rate (%) | 2014 |
| Profit (loss) before income tax expense | | (893,003,071) | | (874,656,609) | | 1,886,855 |
| Income tax using the Thai corporation tax rate | 20 | (178,600,614) | 20 | (174,931,322) | 20 | 377,371 |
| Expenses not deductible for tax purposes | | 178,600,614 | | 174,931,322 | | 385,826 |
| Total | | <u>-</u> | | <u>-</u> | | <u>763,197</u> |

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29. Financial information by segment

The Company and subsidiaries operate business on single geographic segment that is in Thailand. As revenue of other business segments is less than 10% of total revenue, there is no financial information by segment of other business segments presented in the financial statements.

Business unit segment information of the Company and subsidiaries for the year ended December 31, 2015, are as follows:

| | (Unit : Thousand Baht) | | | |
|---|---|---------------------------------------|---|-----------|
| | Consolidated | | | |
| | For the year ended December 31, 2015 | | | |
| | Income from programme co-production | Income from broadcasting rights | Income from sponsorship of sport tournament | Total |
| Income | 108,297 | 34,117 | 86,430 | 228,844 |
| Cost | (232,958) | (39,186) | (85,830) | (357,974) |
| Gross profit (loss) margin | (124,661) | (5,069) | 600 | (129,130) |
| Other incomes | | | | 11,171 |
| Loss before expenses | | | | (117,959) |
| Expenses | | | | |
| Administrative expenses | | | | (190,267) |
| Amortization from contract termination | | | | (51,882) |
| Compensation and (loss) contract termination | | | | (151,901) |
| Provision for impairment of intangible assets | | | | (312,443) |
| Loss for devaluation of investments | | | | (40,395) |
| Management benefit expenses | | | | (25,394) |
| Total expenses | | | | (772,282) |
| Loss before finance costs and income | | | | (890,241) |
| Finance costs | | | | (2,693) |
| Share of loss of associates | | | | (69) |
| Income tax | | | | (16,119) |
| Net loss for the year | | | | (909,122) |

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30. Acquisition of business

Demeter Media Company Limited

On February 5, 2015, invested in Demeter Media Company Limited of 100% of issued and paid-up share capital. Demeter Media Company Limited is providing, production and/or joint production of television satellite programmes and registered as a limited company in Thailand. The parent company issued the capital increase common shares at the amount of 5,625,000 shares at the par value of Baht 1 per share with the offering price of Baht 8 per share for the acquisition. The Company has recorded the investments in subsidiaries with the fair value of the company shares' weighted average price for 14 days before and after the date of registration of share transfer of the subsidiary. The Company shares' weighted average price is Baht 13.13.

The new net book values of identified assets and liabilities at the acquisition date are as follows:

| | (Unit : Baht) |
|---|---------------|
| Cash and cash equivalents | 78,051 |
| Trade accounts receivable and other receivables | 3,776,843 |
| Other current assets | 1,483,031 |
| Property, plant and equipment | 41,342,508 |
| Other non-current assets | 1,200,000 |
| Trade payables and other payables | (1,309,260) |
| Short-term loans from non-related persons | (12,800,185) |
| Other current liabilities | (304,257) |
| Net assets acquired | 33,466,731 |
| Goodwill | 40,395,338 |
| Cash considerations for acquisition | 73,862,069 |
| Less : Cash and cash equivalents of the acquired associates | (78,051) |
| Cash considerations for acquisition, net | 73,784,018 |

As at December 31, 2015, the fair value of land and building are considered by using the report of the appraiser.

The market approach is used by comparing selling price of land in the same area. (note 5.1).

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31. Financial instruments

31.1 Financial risk management

The Company's financial instruments, principally comprise cash and cash equivalents, trade accounts receivable, investments, and short-term loan. The financial risks associated with these financial instruments and how they are managed is described below:

Credit risk

The Company is exposed to credit risk primarily with respect to receivables from co-production of satellite television programmes and broadcasting rights. However, due to its prudent credit policy and the close follow up of debt, the Company does not anticipate material losses from its debt collection in excess of those for which provision has already been set aside. And trade-accounts receivable of co-production of satellites television programmes had made the collateral.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Company has no exposure to foreign currency risk because no significant trading transactions are denominated in foreign currencies.

31.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
(FORMERLY “ASIA JOINT PANORAMA PUBLIC COMPANY LIMITED”)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

32. Commitments

32.1 As at December 31, 2015 and 2014, the Company has commitments in respect of co-production of satellite television programme agreements 8 satellite television channels. The Company has paid the monthly fee for the right of co-production agreement amounting Baht 618,557 per satellite television channels, which will be paid as following :

| | (Unit : Baht) | | |
|---|---------------|-----------|-------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Within 1 year | 9,896,907 | 9,896,907 | 118,762,886 |
| More than 1 year but not over 5 years | - | - | 475,051,546 |
| More than 5 years but not over 10 years | - | - | 257,319,587 |
| Total | 9,896,907 | 9,896,907 | 851,134,019 |

The Company has canceled the satellite television co-production broadcasting rights to reduce the contractual obligation to pay compensation for a period long. The Company must pay damages due to the cancellation of these contracts amounting Baht 203.78 million and the Company has recorded losses in the financial statements.

32.2 On September 16, 2014, the Company signed a Memorandum of Understanding for the acquisition of Demeter Media Company Limited (formerly name U Best Point Media Company Limited) and a memorandum of understanding to acquire the rights to the concession agreement, charter air time and co-producer of Media Agency Thai Co., Ltd. The Company has deposited an amount of Baht 10 million and Baht 15 million to the contract parties, respectively. (The transaction has been approved by the Extraordinary Meeting of Shareholders No. 2/2014 on November 26, 2014).

On August 1, 2015, the Company signed an agreement of debt restructuring and acknowledgement of debt. Under the terms of the agreement, the debtor will complete the debt repayment within December 29, 2015 by monthly installment of Baht 5,000,000 for 5 periods starting from August 2015.

On November 17, 2015, the Company received a letter of intent from M.V. Television (Thailand) Co., Ltd., to make the repayment on the agreement of debt restructuring and acknowledgement of debt by net of with the amount of Baht 10 million to receive from the company under the agreement of early contract termination dated November 17, 2015 (Note 1.2).

**DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

32.3 On September 29, 2015, the Company signed an agreement to cooperate in bidding the rights golf KLPTG Tournament (2016 season) of South Korea with a company. The Company has paid a deposit of Baht 4 million for the right to participate in such auction and will receive the refund within 30 days after the auction results are officially announced within October 2015. However, the auction results, the Company could not get the rights.

The Company received the deposit back on February 11, 2016.

32.4 The Company had entered into office rental agreements with a non-related company for the term of 3 years, end of November 30, 2017, to pay the fee at Baht 278,800 per month.

33. Expenses by nature

Significant expenses by nature for the years ended December 31, 2015 and 2014, are as follow:

| | (Unit : Baht) | | |
|--|---------------|-------------|-------------|
| | Consolidated | Separate | |
| | 2015 | 2015 | 2014 |
| Fee for the assignor of co-production | 232,958,063 | 224,792,040 | 116,556,368 |
| Salaries and other employee benefits | 12,714,516 | 6,101,882 | 4,991,063 |
| Professional fees | 33,952,290 | 22,130,546 | 8,483,675 |
| Office rental and service expenses | 4,434,369 | 3,365,200 | 748,400 |
| Depreciation and amortisation expenses | 161,239,803 | 158,644,485 | 8,514,132 |
| Compensation and loss contract termination | 151,900,892 | 151,900,892 | - |
| Loss on impairment of assets | 323,302,869 | 312,443,216 | - |
| Amortization of intangible assets | 51,881,561 | 51,881,561 | - |
| Management benefit expenses | 25,594,250 | 20,253,963 | 3,334,000 |

34. Financial reporting standard issued during the period and not yet effective

During the years, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after January 1, 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

| <u>TFRS</u> | <u>Topic</u> |
|----------------------|--------------------------------------|
| TAS 1 (revised 2015) | Presentation of Financial Statements |

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| <u>TFRS</u> | <u>Topic</u> |
|-----------------------|--|
| TAS 2 (revised 2015) | Inventory |
| TAS 7 (revised 2015) | Statement of Cash Flows |
| TAS 8 (revised 2015) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2015) | Events After The Reporting Period |
| TAS 11 (revised 2015) | Construction Contracts |
| TAS 12 (revised 2015) | Income Taxes |
| TAS 16 (revised 2015) | Property, Plant and Equipment |
| TAS 17 (revised 2015) | Leases |
| TAS 18 (revised 2015) | Revenue Recognition |
| TAS 19 (revised 2015) | Employee Benefits |
| TAS 20 (revised 2015) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2015) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2015) | Borrowing Costs |
| TAS 24 (revised 2015) | Related Party Disclosures |
| TAS 26 (revised 2015) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2015) | Separate Financial Statements |
| TAS 28 (revised 2015) | Investments in Associates and Joint Ventures |
| TAS 29 (revised 2015) | Financial Reporting in Hyperinflationary Economies |
| TAS 33 (revised 2015) | Earnings Per Share |
| TAS 34 (revised 2015) | Interim Financial Reports |
| TAS 36 (revised 2015) | Impairment of Assets |
| TAS 37 (revised 2015) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2015) | Intangible Assets |
| TAS 40 (revised 2015) | Investment Property |
| TAS 41 | Agriculture |
| TFRS 2 (revised 2015) | Share-based Payment |
| TFRS 3 (revised 2015) | Business Combinations |
| TFRS 4 (revised 2015) | Insurance Contracts |
| TFRS 5 (revised 2015) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (revised 2015) | Exploration for and Evaluation of Mineral Resources |

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DECEMBER 31, 2015

| <u>TFRS</u> | <u>Topic</u> |
|-------------------------|---|
| TFRS 8 (revised 2015) | Operating Segments |
| TFRS 10 | Consolidated Financial Statements |
| TFRS 11 | Joint Arrangements |
| TFRS 12 | Disclosure of Interests in Other Entities |
| TFRS 13 | Fair Value Measurement |
| TSIC 10 (revised 2015) | Government Assistance - No Specific Relation to Operating Activities |
| TSIC 15 (revised 2015) | Operating Leases - Incentives |
| TSIC 25 (revised 2015) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |
| TSIC 27 (revised 2015) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSIC 29 (revised 2015) | Service Concession Arrangements: Disclosures |
| TSIC 31 (revised 2015) | Revenue - Barter Transactions Involving Advertising Services |
| TSIC 32 (revised 2015) | Intangible Assets - Web Site Costs |
| TFRIC 1(revised 2015) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (revised 2015) | Determining whether an Arrangement contains a Lease |
| TFRIC 5 (revised 2015) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 7 (revised 2014) | Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies |
| TFRIC 10 (revised 2015) | Interim Financial Reporting and Impairment |
| TFRIC 12 (revised 2015) | Service Concession Arrangements |
| TFRIC 13 (revised 2015) | Customer Loyalty Programmes |
| TFRIC 14 | TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 15 (revised 2015) | Agreements for the Construction of Real Estate |
| TFRIC 17 (revised 2015) | Distributions of Non - cash Assets to Owners |
| TFRIC 18 (revised 2015) | Transfers of Assets from Customers |
| TFRIC 20 (revised 2015) | Stripping Costs in the Production Phase of a Surface Mine |
| TFRIC 21 | Levies |

**DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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DECEMBER 31, 2015

35. Capital management

The primary objectives of the Company’s capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2015, debt to equity ratio in the consolidated financial statements is 0.10:1 (Separate: is 0.08:1).

36. Subsequent events

36.1 On February 19, 2016, the Company has entered to an agreement with a company to compensate for the damage caused to terminate the contract prematurely, totaling Baht 22.43 million and recorded under "compensation and damages from the cancellation of the contract" in the statement of comprehensive income. And provision in the statement of financial position as at December 31, 2015.

36.2 The Board of Directors’ Meeting No. 1/2016 which was held on February 26, 2016, passed the resolutions as follows.

- 1) Approved the sale of Demeter ICT Company Limited, a subsidiary in which DCORP holds 99.99 percent of its registered capital, to unrelated parties, totaling Baht 8.1 million.
- 2) Approved loans to Demeter Power Company Limited (a subsidiary) amount of Baht 100 million baht for the incorporation of a Company's subsidiary to operate Nano-Finance business and for using as company's working capital.

37. Approval of the financial statement

These financial statements have been approved by the Company’s Board of Directors on February 26, 2016.

Attachment 5.2

5.2 Independent Auditor's Report Year 2015-2016

**DEMETER CORPORATION PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FINANCIAL STATEMENTS
DECEMBER 31, 2016
AND AUDITOR'S REPORT**

Independent Auditor's Report

To The Shareholders of Demeter Corporation Public Company Limited.

Opinion

I have audited the financial statements of Demeter Corporation Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at December 31, 2016, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Demeter Corporation Public Company Limited and its subsidiaries and Demeter Corporation Public Company Limited as at December 31, 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Allowance for doubtful account

Risk

The adequacy of the allowance for doubtful accounts is important so much for management's judgment. The unrecoverable amount of receivable is a process that involves uncertainties and need to use assumptions and factors such as the financial status of the debtor, payment history of receivable. The difference of assumptions for the calculation may be the amount of allowance for doubtful accounts also differ significantly.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

evaluated the effectiveness of the control system and the calculation of the allowance for doubtful accounts based on the individual debtor, evaluated the effectiveness of internal controls regarding dunning process, the assumptions for the calculation test of the allowance for doubtful accounts, I assessed also the repayment of receivable, included testing amounts to be paid after the end of the period.

The results of the above tests that cause to believe that the management has recorded an allowance for doubtful accounts be adequate and appropriate.

Impairment of intangible assets.

Risk

As at December 31, 2016, the Company's intangible assets, net book value of 38.94 million baht (less accumulated amortization and impairment losses already), assets consist of, administrative rights, broadcast rights to broadcast sound in movies, and the rights to broadcast football matches. The management must exercise judgment in determining the amount of the allowance for impairment of deferred intangible assets is appropriate, analysis based on estimates of future cash flows that the Company expects to receive from management the rights of those assets.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

Tested calculation of amortization in intangible assets, testing estimated future cash flows that the Company expects to receive, analyzed the overall condition of the debtor, such as liquidity and ability to repay debt and also including inquiries about management business strategies for the management of such intangible assets.

The results of the above tests that cause to believe that the right of deferred intangible assets is valued reliably and appropriately.

Emphasis of Matter

Without qualifying my conclusion, I draw attention note 13.2, the Company has invested in Aukkarawat Plant Renewable Energies Company Limited's common shares. As at December 30, 2016, the Company is considering the business's fair value, and has assigned the independent appraiser to evaluate such business fair value. At the date of approved financial statements, the Company is considering such information. Accordingly, the fair value of assets and liabilities acquired as at the date of acquisition value estimate may be adjusted.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr.Jirote Sirirorote

(Mr.Jirote Sirirorote)

Certified Public Accountant (Thailand) No. 5113

Karin Audit Company Limited

February 28, 2017

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

| | | Unit : Baht | | | |
|---|-------|--------------------|----------------------|--------------------|----------------------|
| | | Consolidated | | Separate | |
| | Notes | 2016 | 2015 | 2016 | 2015 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 17,854,367 | 90,714,931 | 15,057,054 | 38,143,776 |
| Short-term investments | 7 | 582,395,554 | 502,073,854 | 516,046,862 | 502,073,854 |
| Trade and other receivable - net | | | | | |
| - Subsidiaries and related parties | 6.2 | - | - | 125,775 | 232,193 |
| - Others | 8 | 5,723,904 | 29,016,363 | 2,777,937 | 24,666,218 |
| Amounts due from a former related company - net | 9 | - | - | - | - |
| Current portion of hire-purchase contract receivables | 10 | 12,310,152 | - | 12,310,152 | - |
| Short-term loans and interest receivable to related parties | 6.2 | - | - | - | 151,578,082 |
| Advance payment - co-production | | - | 4,948,454 | - | 4,948,454 |
| Other current assets | 11 | 68,813,148 | 70,091,789 | 67,598,544 | 65,659,722 |
| Total current assets | | 687,097,125 | 696,845,391 | 613,916,324 | 787,302,299 |
| Non-current assets | | | | | |
| Hire-purchase contract receivables | 10 | 85,887,821 | - | 85,887,821 | - |
| Investment in associates | 12 | - | 171,180,768 | - | - |
| Investments in subsidiaries, at cost method | 13 | - | - | 141,732,173 | 109,128,686 |
| Property, plants and equipment - net | 14 | 50,182,680 | 62,108,218 | 29,192,764 | 33,951,400 |
| Investment property | 15 | 24,549,765 | - | - | - |
| Goodwill | 29 | 32,501,975 | - | - | - |
| Intangible asset - net | 16 | 38,941,734 | 127,944,880 | 38,941,734 | 127,944,880 |
| Non-current assets held for sales - net | 17 | - | - | - | - |
| Other non-current assets | 18 | 65,011,816 | 606,600 | 64,897,816 | 592,600 |
| Total non-current assets | | 297,075,791 | 361,840,466 | 360,652,308 | 271,617,566 |
| TOTAL ASSETS | | 984,172,916 | 1,058,685,857 | 974,568,632 | 1,058,919,865 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2016

| | | Unit : Baht | | | |
|---|-------|--------------------|----------------------|--------------------|----------------------|
| | | Consolidated | | Separate | |
| | Notes | 2016 | 2015 | 2016 | 2015 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade and other payable | | 9,898,746 | 57,465,805 | 9,023,097 | 45,657,693 |
| Advance from broadcasting rights | | 21,776,640 | 26,594,147 | 21,776,640 | 26,594,147 |
| Loans from third parties | 19 | 5,112,381 | 5,807,771 | - | - |
| Current portion of financial lease liability | 21 | 1,915,306 | 1,780,777 | 1,915,306 | 1,780,777 |
| Other current liabilities | 20 | 11,606,580 | 9,596,348 | 9,602,219 | 9,210,099 |
| Total current liabilities | | 50,309,653 | 101,244,848 | 42,317,262 | 83,242,716 |
| Non-current liabilities | | | | | |
| Financial lease liability - net | 21 | 2,944,705 | 4,858,570 | 2,944,705 | 4,858,570 |
| Employee benefit obligations | 22 | 1,498,125 | 1,056,211 | 1,498,125 | 945,889 |
| Other non-current liabilities | 23 | 2,830,050 | 2,157,800 | 2,830,050 | 2,157,800 |
| Total non-current liabilities | | 7,272,880 | 8,072,581 | 7,272,880 | 7,962,259 |
| TOTAL LIABILITIES | | 57,582,533 | 109,317,429 | 49,590,142 | 91,204,975 |
| SHAREHOLDERS' EQUITY | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 590,547,570 common shares of Baht 1.00 each | 24.1 | 590,547,570 | 590,547,570 | 590,547,570 | 590,547,570 |
| Issued and paid-up | | | | | |
| 549,749,896 common shares of Baht 1.00 each | 24.2 | 549,749,896 | - | 549,749,896 | - |
| 525,847,758 common shares of Baht 1.00 each | | - | 525,847,758 | - | 525,847,758 |
| Share premium | | 1,454,611,780 | 1,433,793,014 | 1,454,611,780 | 1,433,793,014 |
| Share discount for convertible debts | | (6,600,000) | (6,600,000) | (6,600,000) | (6,600,000) |
| Share discount | | (39,600,000) | (39,600,000) | (39,600,000) | (39,600,000) |
| Retained earnings (Deficit) | | | | | |
| Appropriated - statutory reserve | | 13,000,000 | 13,000,000 | 13,000,000 | 13,000,000 |
| Unappropriated | | (1,062,801,547) | (977,072,344) | (1,046,183,186) | (958,725,882) |
| TOTAL SHAREHOLDERS' EQUITY | | 908,360,129 | 949,368,428 | 924,978,490 | 967,714,890 |
| Non-controlling interests | | 18,230,254 | - | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | 926,590,383 | 949,368,428 | 924,978,490 | 967,714,890 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 984,172,916 | 1,058,685,857 | 974,568,632 | 1,058,919,865 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

| | | Unit : Baht | | | |
|---|-------|----------------------|----------------------|----------------------|----------------------|
| | Notes | Consolidated | | Separate | |
| | | 2016 | 2015 | 2016 | 2015 |
| Income from programme co-production | | 48,913,824 | 108,296,637 | 38,574,246 | 97,542,626 |
| Income from broadcasting rights | | 51,169,459 | 34,117,373 | 51,169,459 | 34,117,373 |
| Income from sponsorship of sport tournament | | - | 86,430,000 | - | 86,430,000 |
| Sales income | | 93,273,262 | - | 93,273,262 | - |
| Total revenues | | 193,356,545 | 228,844,010 | 183,016,967 | 218,089,999 |
| Cost of programme co-production | | (18,600,508) | (232,958,063) | (9,896,907) | (224,792,040) |
| Cost of broadcasting rights | | (48,733,025) | (39,185,877) | (48,733,025) | (39,185,877) |
| Cost of sponsorship of sport tournament | | - | (85,830,275) | - | (85,830,276) |
| Cost of sales | | (77,079,680) | - | (77,079,680) | - |
| Total costs | | (144,413,213) | (357,974,215) | (135,709,612) | (349,808,193) |
| Gross profit (loss) | | 48,943,332 | (129,130,205) | 47,307,355 | (131,718,194) |
| Gain on sale of investment in associate | 12 | 19,804,606 | - | - | - |
| Other incomes | 6.1 | 26,534,193 | 11,171,131 | 25,992,856 | 14,837,334 |
| Profit (loss) before expenses | | 95,282,131 | (117,959,074) | 73,300,211 | (116,880,860) |
| Administrative expenses | | (108,961,539) | (190,266,548) | (89,994,279) | (158,886,547) |
| Amortization of contract termination | | - | (51,881,561) | - | (51,881,561) |
| Compensation and loss from contract termination | | - | (151,900,892) | - | (151,900,892) |
| Provision for impairment of intangible assets | | (41,444,470) | (312,443,216) | (41,444,470) | (312,443,216) |
| Provision for impairment of goodwill | | - | (40,395,338) | - | - |
| Loss from devaluation of investments | | - | - | (2,820,583) | (59,733,333) |
| Management benefit expenses | 6.1 | (29,977,196) | (25,394,250) | (26,560,917) | (20,253,963) |
| Total expenses | | (180,383,205) | (772,281,805) | (160,820,249) | (755,099,512) |
| Loss before finance costs and income tax | | (85,101,074) | (890,240,879) | (87,520,038) | (871,980,372) |
| Finance costs | | (529,284) | (2,692,960) | (511,295) | (2,676,237) |
| Share of loss from associates | 12 | (672,874) | (69,232) | - | - |
| Loss before income tax | | (86,303,232) | (893,003,071) | (88,031,333) | (874,656,609) |
| Income tax | | - | (16,119,233) | - | (16,119,233) |
| Net loss for the years | | (86,303,232) | (909,122,304) | (88,031,333) | (890,775,842) |
| Other comprehensive income (loss) for the years | | | | | |
| Actuarial (gain) loss from employee benefit | | 574,029 | (389,646) | 574,029 | (389,646) |
| Total Comprehensive loss for the years | | (85,729,203) | (909,511,950) | (87,457,304) | (891,165,488) |
| Basic loss per share (Baht per share) | 25 | (0.161) | (2.139) | (0.164) | (2.096) |
| Weighted average number of ordinary share (shares) | | 535,859,123 | 425,030,071 | 535,859,123 | 425,030,071 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

| | | | | | | | | | Unit : Baht |
|---------------------------------|---------------|---------------|----------------|--------------|-----------------------------|-----------------|-----------------|-------------|---------------|
| Consolidated | | | | | | | | | |
| | | Share | Share | | Retained earnings (Deficit) | | Total equity | Non- | |
| | Issued and | discount for | debt to equity | Share | | | attributable to | controlling | |
| Notes | paid-up | Share | conversion | discount | Appropriated | Unappropriated | owner's of the | interests | Total |
| | share capital | premium | | | | | Company | | |
| Balance as at January 1, 2015 | 200,000,000 | 41,883,991 | (6,600,000) | (39,600,000) | 13,000,000 | (67,560,394) | 141,123,597 | - | 141,123,597 |
| Share capital increase | 325,847,758 | 1,391,909,023 | - | - | - | - | 1,717,756,781 | - | 1,717,756,781 |
| Comprehensive loss for the year | - | - | - | - | - | (909,511,950) | (909,511,950) | - | (909,511,950) |
| Balance as at December 31, 2015 | 525,847,758 | 1,433,793,014 | (6,600,000) | (39,600,000) | 13,000,000 | (977,072,344) | 949,368,428 | - | 949,368,428 |
| Share capital increase | 24.2 | 23,902,138 | 20,818,766 | - | - | - | 44,720,904 | - | 44,720,904 |
| Non-controlling interests | 29 | - | - | - | - | - | - | 18,230,254 | 18,230,254 |
| Comprehensive loss for the year | - | - | - | - | - | (85,729,203) | (85,729,203) | - | (85,729,203) |
| Balance as at December 31, 2016 | 549,749,896 | 1,454,611,780 | (6,600,000) | (39,600,000) | 13,000,000 | (1,062,801,547) | 908,360,129 | 18,230,254 | 926,590,383 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

| | | | | | | | Unit : Baht |
|--|--|----------------------|---|---------------------|-----------------------------|------------------------|--------------------|
| Separate | | | | | | | |
| Notes | Issued and paid-up share capital | Share premium | Share discount for debt to equity conversion | Share discount | Retained earnings (Deficit) | | Total |
| | | | | | Appropriated | Unappropriated | |
| Balance as at January 1, 2015 | 200,000,000 | 41,883,991 | (6,600,000) | (39,600,000) | 13,000,000 | (67,560,394) | 141,123,597 |
| Share capital increase | 325,847,758 | 1,391,909,023 | - | - | - | - | 1,717,756,781 |
| Comprehensive loss for the year | - | - | - | - | - | (891,165,488) | (891,165,488) |
| Balance as at December 31, 2015 | 525,847,758 | 1,433,793,014 | (6,600,000) | (39,600,000) | 13,000,000 | (958,725,882) | 967,714,890 |
| Share capital increase | 24.2 23,902,138 | 20,818,766 | - | - | - | - | 44,720,904 |
| Comprehensive loss for the year | - | - | - | - | - | (87,457,304) | (87,457,304) |
| Balance as at December 31, 2016 | 549,749,896 | 1,454,611,780 | (6,600,000) | (39,600,000) | 13,000,000 | (1,046,183,186) | 924,978,490 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

| | Unit : Baht | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Cash flows from operating activities | | | | |
| Loss before income tax | (86,303,232) | (893,003,071) | (88,031,333) | (874,656,609) |
| Adjustments to reconcile income (loss) to net cash received | | | | |
| (paid) from operating activities: | | | | |
| Depreciation | 8,007,338 | 6,118,865 | 5,152,185 | 3,532,547 |
| Amortization of intangible asset | 47,558,675 | 155,111,938 | 47,558,675 | 155,111,938 |
| Unrealized (gain) loss on valuation of short-term investment | (10,908,693) | (2,241,578) | (9,244,737) | (2,241,578) |
| Interest income | (8,449,729) | (9,113,860) | (15,668,697) | (7,799,148) |
| Allowance for doubtful account | 19,781,144 | 107,196,750 | 19,281,144 | 105,163,750 |
| Employee benefit expenses | 1,034,178 | 236,022 | 1,126,265 | 125,700 |
| Gain on sale of fixed assets | (18,675) | - | - | - |
| Provision for impairment of goodwill | - | 40,395,338 | - | - |
| Loss on impairment of investments | - | - | 2,820,583 | 59,733,333 |
| Amortization of contract termination | - | 51,881,561 | - | 51,881,561 |
| Provision for impairment of intangible assets | 41,444,470 | 312,443,216 | 41,444,470 | 312,443,216 |
| Provision for impairment of fixed assets | - | 10,859,653 | - | - |
| (Gain) loss from sale of investments | (1,210,920) | - | 1,898,010 | - |
| Gain on sale of investment in associate | (19,804,606) | - | - | - |
| Share of loss from associates | 672,874 | 69,232 | - | - |
| Interest expenses | 98,346 | 2,641,913 | 425,941 | 2,641,913 |
| Profit (loss) from operating activities before changes | | | | |
| in operating assets and liabilities | (8,098,830) | (217,404,021) | 6,762,506 | (194,063,377) |
| (Increase) decrease in operating assets: | | | | |
| Trade and other receivable | | | | |
| - Subsidiaries and related parties | - | - | 106,418 | (232,193) |
| - Others | (21,725,975) | (64,352,074) | (21,392,864) | (64,717,863) |
| Debt restructuring | - | (39,304,000) | - | (39,304,000) |
| Advance payment - co-production | 4,948,454 | - | 4,948,454 | - |
| Hire-purchase contract receivables | (98,197,973) | - | (98,197,973) | - |
| Other current assets | 3,420,716 | (23,293,852) | 797,459 | (20,950,527) |
| Other non-current assets | (64,305,216) | 10,285,953 | (64,305,216) | 9,099,953 |
| Increase (decrease) in operating liabilities: | | | | |
| Trade and other payable | (16,164,252) | 53,000,982 | (12,634,596) | 42,502,131 |
| Advance from programme co-production | (4,817,507) | 16,844,147 | (4,817,507) | 16,844,147 |
| Other current liabilities | 415,661 | 7,026,712 | 392,120 | 6,944,721 |
| Other non-current liabilities | 672,250 | 748,000 | 672,250 | 748,000 |
| Cash paid for interest | (98,346) | - | (425,941) | - |
| Income tax paid | (2,769,134) | (1,126,709) | (2,736,281) | (599,051) |
| Net cash used in operating activities | (206,720,152) | (257,574,862) | (190,831,171) | (243,728,059) |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2016

| | Unit : Baht | | | |
|---|---------------------|------------------------|---------------------|------------------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Cash flows from investing activities | | | | |
| Cash paid for purchase of investment in subsidiaries | (34,364,362) | - | (45,424,039) | (94,999,950) |
| Proceeds for sale of investment in subsidiaries | 57,875,708 | - | 8,101,960 | - |
| Proceeds for sale of investment in associates | 215,000,000 | - | - | - |
| Cash paid for purchase of investment in associates | (24,687,500) | (171,250,000) | - | - |
| Increase in short-term investments | (69,028,271) | (499,832,276) | (4,728,271) | (499,832,276) |
| Cash paid from short-term loans to related company | - | - | (247,487,192) | (150,000,000) |
| Cash received from short-term loans to related company | - | - | 399,065,274 | - |
| Cash received from interest income | 8,449,729 | 6,141,769 | 15,668,697 | 6,221,066 |
| Cash paid for purchase of fixtures and equipment | (393,549) | (25,642,023) | (393,549) | (25,381,742) |
| Cash paid for purchase of intangible asset | - | (588,275,070) | - | (588,275,070) |
| Net cash received from (used in) investing activities | 152,851,755 | (1,278,857,600) | 124,802,880 | (1,352,267,972) |
| Cash flows from financing activities | | | | |
| Cash received from short-term loans from non-related persons | - | 23,007,586 | - | 30,000,000 |
| Cash paid for short-term loans to non-related persons | - | (183,145,753) | - | (183,145,753) |
| Cash received from increase in share capital | 44,720,904 | 1,643,894,712 | 44,720,904 | 1,643,894,712 |
| Payment of finance lease liability | (1,779,335) | (3,915,331) | (1,779,335) | (3,915,331) |
| Net cash received from financing activities | 42,941,569 | 1,479,841,214 | 42,941,569 | 1,486,833,628 |
| Net increase (decrease) in cash and cash equivalents | (10,926,828) | (56,591,248) | (23,086,722) | (109,162,403) |
| Cash and cash equivalents at beginning of years | 90,714,931 | 147,306,179 | 38,143,776 | 147,306,179 |
| Cash and cash equivalents of subsidiaries at sale date | (61,933,736) | - | - | - |
| Cash and cash equivalents at ending of years | 17,854,367 | 90,714,931 | 15,057,054 | 38,143,776 |
| Supplemental cash flows information: | | | | |
| 1) Cash and cash equivalents at end of periods | | | | |
| Cash on hand | 1,786,630 | 125,605 | 86,662 | 100,000 |
| Cash at banks-current accounts | 142,310 | 71,057 | 59,550 | 688 |
| Cash at banks-saving accounts | 15,925,427 | 90,518,269 | 14,910,842 | 38,043,088 |
| | 17,854,367 | 90,714,931 | 15,057,054 | 38,143,776 |

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2016

Supplemental disclosures of cash flows information :

- For the year ended December 31, 2016, the Company and subsidiaries have entered into finance lease agreements to purchase of vehicles totalling of Baht 5.09 million (Separate: Baht 5.09 million).
- For the year ended December 31, 2016, the Company has issued ordinary share capital increase of 5.63 million shares , worth Baht 73.82 million at market price in exchange for the purchase of shares in Demeter Media Company Limited.
- For the year ended December 31, 2016, the Company has an offset of account receivable and account payable amount of Baht 24 million.
- For the year ended December 31, 2016, the Company and subsidiaries have transferred property, plants and equipment to investment property amount of Baht 27.22 million.
- In the year ended December 31, 2016, the Company has sold all investment in shares of Demeter ICT Company Limited

Proceeds from sales of investment in a subsidiary was as follows:

| | |
|--|--------------|
| Cash received from sales of investment in a subsidiary | 8,101,960 |
| (Less) Cash and deposits in financial institutions | (11,953,424) |
| Net | (3,851,464) |

(Less) Other assets less other liabilities ;

| | | |
|---|-------------|-----------|
| Trade receivable - other | (1,456,896) | |
| Withholding tax | (388,965) | |
| Other current assets - net | (169,232) | |
| Equipment - net | (203,677) | |
| Trade and other payable | 7,117,305 | |
| Other current liabilities | 95,708 | |
| Employee benefit obligations | 18,235 | 5,012,478 |
| Gain on sales of investment in a subsidiary | | 1,161,014 |

- In the year ended December 31, 2016, the Company has sold all investment in shares of Winchai Company Limited

Proceeds from sales of investment in a associate amount of Baht 215 million on October 25, 2016.

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. General information

Demeter Corporation Public Company Limited (formerly name Asia Joint Panorama Public Company Limited) (“the Company”) is a public limited company, incorporated in Thailand and is registered on the Stock Exchange of Thailand. The address of its registered office is 191/43 CTI Tower 21st Floor, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok.

The principal business operations of the Company are providing, production and/or joint production of television satellite programmes and being the representor.

At the Extraordinary General Meeting no.3/2015 held on August 3, 2015, it passed a resolution to change the Company’s name, and revise a memorandum of association guidelines and certificate. The Company has registered to the Ministry of Commerce on August 7, 2015.

2. Basis for preparation of the consolidated financial statements

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

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

- 2.2 The consolidated financial statements include the financial statements of the Demeter Corporation Public Company Limited and subsidiaries as follows:

| Subsidiaries | Type of business | Location | Percentage of holding by | |
|---|--|------------|--------------------------|-------------------|
| | | | December 31, 2016 | December 31, 2015 |
| Demeter Media Company Limited | providing, production and/or joint production of television satellite programmes | Bangkok | 100.00 | 100.00 |
| Demeter ICT Company Limited * | Information Technology | Bangkok | - | 99.99 |
| Demeter Power Company Limited | Energy | Bangkok | 99.99 | 99.99 |
| Aukkarawat Plant Renewable Energies company Limited *** | Production and distribution of electricity | Suphanburi | 16.40 | - |
| Demeter Capital Company Limited (Held By Demeter Power Company Limited) ** | Nano Finance | Bangkok | - | - |

* During year 2015, the Company invested in common shares of such subsidiary and has prepared for the consolidated financial statements since February 9, 2015, and at the Board of Directors' Meeting on February 26, 2016, the board approved the sale of investment in such subsidiary. On March 15, 2016, the Company sold investment in such subsidiary to third parties which resulted the loss of the significant control since that date.

** Registered to liquidation with the Ministry of Commerce on September 14, 2016, as approved by the shareholders' meeting held on September 1, 2016.

***The Company has prepared for the consolidated financial statement by included such subsidiaries although holding percentage less than 50%, but due to the Company has the control in such company.

- 2.3 These consolidated financial statements are prepared by including the financial statements of its subsidiaries under control by the Demeter Corporation Public Company Limited after eliminating significant balance and inter-company transactions.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

3. Basis of preparation of the financial statements and significant accounting policies

3.1 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Group believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Group's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

3.2 Basis of measurement

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

3.3 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency (unless otherwise stated, e.g. nearest thousand).

4. Significant accounting policies

4.1 Recognition of revenues and expenses

Income from television programme co-production is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Sales are recognised upon delivery of products and customer acceptance.

Other income and expenses is recognised on an accrual basis.

Cost of programme co-production is recognized follow No. 4.7.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits at banks with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are carried at anticipated realisable value. An allowance is recorded for doubtful accounts receivable, which is equivalent to the estimated collection losses that may be incurred. The estimated losses are based on historical collection experience combined with a review of the current status of the existing accounts receivable at the balance sheet date. Bad debts are written-off during the year in which they are identified.

4.4 Hire-purchase contract receivables

Hire-purchase contract receivables are stated at initial value noted in the financed lease agreement less cash received from installment, unearned interest income, and allowance for doubtful account.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Allowance for doubtful account is evaluated based on analysis of repayment historical records and forecast for future repayment of each account receivable. Allowance for doubtful account is calculated on the percentages of overdue payment as follow:

| | Percentages |
|----------------|-------------|
| Overdue : | |
| 3 - 6 months | 25 |
| 6 - 9 months | 35 |
| 9 - 12 months | 50 |
| Over 12 months | 100 |

4.5 Investments

Investments in associates in the consolidated financial statements are recorded by using the equity method.

Investments in subsidiaries in the separate financial statements are recorded by using the cost method less provision for impairment. The devaluations are recorded as loss from devaluation of investments in the statement of comprehensive income.

General investments in the statement of financial position is recorded by using the cost method less provision for impairment. The devaluations are recorded as loss from devaluation of investments in the statement of comprehensive income.

4.6 Property, plants and equipment - net

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision (if any).

Property, plant and equipment of subsidiary "Demeter Media Company Limited" (Formerly name "U Best Point Media Company Limited") in preparing the consolidated financial statements are stated at fair value since the fair value of identifiable assets are appraised for investments.

Depreciation calculated on a straight-line basis to reduce the carrying amount over the estimated useful lives of each part of an item of property, plant and equipment are as follows:

| | Years |
|--|-------|
| Building and building improvements | 20 |
| Furniture fixture and office equipment | 5 |
| Vehicle | 5 |

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Where the carrying amount of an asset is greater than its estimated recoverable amount, the cost is written down immediately to its recoverable amount. Estimated recoverable amount is calculated from the anticipated discounted cash flows to their present value from the continuing use of the assets and the amount obtainable from the sale of the assets less any costs of disposal whichever is higher.

Gains and losses on disposal of assets are determined by reference to their carrying amount and are taken into account in determining operation profit.

Expenditures for expansion, renewal and betterment, which result in substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

4.7 Intangible asset

Intangible asset represented the right to manage the satellite television channels for 10 year period, and the rights of broadcasting and broadcast sounds in movies for three year period. The Company amortised intangible asset as expense by using the straight line method over the contractual period. And recorded as "Cost of programme co-production" on statement of comprehensive income.

4.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiary is separately reported in the consolidated statement of financial position.

Recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

4.9 Non-current assets heldfor sales

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

4.10 Impairment of assets

The Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

If there is subsequently any indication that previously recognised impairment losses may no longer exists or may have decreased, the Company will make another estimate of the asset's recoverable value, compare this with the book value, and reverse previously recognised impairment to reflect the change in recoverable value.

4.11 Deferred income tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax. Deferred tax liabilities primarily arise from income recognition unrealized revaluation surpluses on property and investment property and deferred tax assets principally arise from allowances for doubtful debts. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deferred tax assets can be utilized.

4.12 Accounting for leases - where the company is the leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statements of income on a straight-line basis over the lease periods.

The Company recorded the leased assets under financial lease agreement / hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

4.13 Employee benefits

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

The provision for employee retirement benefits is recognised as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the statement of income on a straight-line basis over the average period until the benefits become vested. Any actuarial gains or losses are recognised in the statement of income in the period in which they arise.

4.14 Provisions for liabilities and charges

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

4.15 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.16 Corporate income tax

The Company and subsidiaries recorded corporate income tax by calculating from taxable net profit based on the condition described in the Revenue Code.

4.17 Basic earnings (loss) per share

Basic earnings (loss) per share calculated by dividing net income (loss) for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

5. Significant accounting judgments and estimates, and capital risk management

5.1 Critical accounting estimates, assumption and judgements

Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from these estimates.

Estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Finance Lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation to pay future rent, excluding the interest element. Finance charges are recorded to the current period operations by the effective interest rate basis.

Operating leases

The Company has entered into lease agreements for the office rental and equipment. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risk and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer.

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Building and equipment

Management determines the estimated useful lives and residual values for the Company's equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

5.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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6. Transactions with related parties

The Company has several accounting transactions with below related parties, which have the same group of shareholders or directors. Some of assets, liabilities, revenues and expenses transactions incur from those related parties.

| <u>Companies</u> | <u>Relationship</u> |
|---|--|
| Demeter Media Company Limited | Subsidiary |
| Demeter ICT Company Limited | Subsidiary* |
| Demeter Power Company Limited | Subsidiary |
| Demeter Capital Company Limited | Subsidiary** (held by a subsidiary with co-directors) |
| Winchai Company Limited | Associate (held by a subsidiary 25 percent)*** |
| Gct Media Co., Ltd. | Co-director (Since August 10, 2016) |
| Aukkarawat Plant Renewable Energies company Limited | Subsidiary |

* As discussed in Note 2.2 to financial statements, on March 15, 2016, the Company sold its investment in subsidiary to third parties which resulted the loss of the significant control in that subsidiary.

** As discussed in Note 2.2 to financial statements, on September 1, 2016 the Company closed a subsidiary.

*** As discussed in Note 12 to financial statement, on September 29, 2016, the Company sold its investment in associated to third parties.

The pricing policies for particular types of transactions are explained further below:

| <u>Transactions</u> | <u>Pricing policies</u> |
|-------------------------------------|---|
| Income from programme co-production | Contract price |
| Income from rental and services | Contract price |
| Cost of programme co-production | Contract price |
| Rental and service expenses | Contract price |
| Management benefit expenses | Consisted of:- allowance for meeting and the remuneration of directors as approved by the directors and shareholder's meeting |

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6.1 Accounting transactions with related parties

Revenue and cost in statements of comprehensive income for the years ended December 31, 2016 and 2015 are as follows:

| | (Unit : Baht) | | | |
|--|---------------|------------|------------|------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Income from rental and services | | | | |
| Demeter Media Company Limited | - | - | 452,350 | 997,050 |
| Demeter ICT Company Limited | - | - | 126,790 | 572,828 |
| Demeter Power Company Limited | - | - | 405,760 | 244,005 |
| | - | - | 984,900 | 1,813,883 |
| Rental and service expenses | | | | |
| Demeter Media Company Limited | - | - | 1,600,000 | 3,250,000 |
| Demeter ICT Company Limited | - | - | 44,803 | 180,771 |
| | - | - | 1,644,803 | 3,430,771 |
| Management benefit expenses | | | | |
| Benefits for directors and managements | 29,977,196 | 25,394,250 | 26,560,917 | 20,253,963 |

6.2 Outstanding balances in statements of financial position

| | (Unit : Baht) | | | |
|---|---------------|------|----------|---------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Trade and other receivables | | | | |
| Demeter Power Company Limited | - | - | - | 38,733 |
| Demeter ICT Company Limited | - | - | - | 71,441 |
| Demeter Media Company Limited | - | - | 125,775 | 122,019 |
| Total trade and other receivables | - | - | 125,775 | 232,193 |
| Aging analysis for accounts receivable were as follows: | | | | |
| Within credit terms | - | - | - | 210,793 |
| Overdue: | | | | |
| Not over 3 months | - | - | - | 21,400 |
| 6 months to 12 months | - | - | 125,775 | - |
| Total | - | - | 125,775 | 232,193 |

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| | (Unit : Baht) | | | |
|---|---------------|------|----------|-------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Short-term loans and interest receivable | | | | |
| Demeter Power Company Limited | - | - | - | 151,578,082 |

For the year ended December 31, 2016, the movement of short-term loans and interest receivable is as follows:

| | (Unit : Baht) | | | |
|---|--------------------|-------------|---------------|----------------------|
| | Separate | | | |
| | January 1, 2016 | Increase | Decrease | December 31, 2016 |
| Short-term loans and interest receivable | | | | |
| Demeter Power Company Limited | | | | |
| Principal | 150,000,000 | 240,000,000 | (390,000,000) | - |
| Interest receivable | 1,578,082 | 7,487,192 | (9,065,274) | - |
| Total | 151,578,082 | 247,487,192 | (399,065,274) | - |

Loans to subsidiary charged interest at 3% per annum.

7. Short-term investments

Short-term investments as at December 31, 2016 and 2015 are as follows:

| | (Unit : Baht) | | | |
|---|---------------|-------------|-------------|-------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Fixed deposit | 384,735 | - | - | - |
| Investments in trading securities | 198,595,877 | - | 198,595,877 | - |
| Open-end fund | 372,143,260 | 499,832,276 | 306,374,923 | 499,832,276 |
| Add Allowance on revaluation of investments in trading securities at fair value | 11,271,682 | 2,241,578 | 11,076,062 | 2,241,578 |
| | 582,395,554 | 502,073,854 | 516,046,862 | 502,073,854 |

Investments in trading securities as at December 31, 2016 and 2015, are presented at fair value at quoted prices in active markets for identical assets which is Level 1.

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8. Trade and other receivable - net

| | (Unit : Baht) | | | |
|---|---------------|--------------|--------------|--------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| <u>Trade accounts receivable</u> | | | | |
| Trade accounts receivable | 97,394,249 | 99,173,885 | 92,221,049 | 95,314,085 |
| Less allowance for doubtful accounts | (92,713,089) | (73,250,709) | (90,180,089) | (71,217,709) |
| Trade accounts receivable - net | 4,681,160 | 25,923,176 | 2,040,960 | 24,096,376 |
| <u>Other receivable</u> | | | | |
| Other receivable | 4,405,545 | 6,137,225 | 4,099,778 | 3,613,880 |
| Less allowance for doubtful accounts | (3,362,801) | (3,044,038) | (3,362,801) | (3,044,038) |
| Other receivable - net | 1,042,744 | 3,093,187 | 736,977 | 569,842 |
| Trade and other receivable - net | 5,723,904 | 29,016,363 | 2,777,937 | 24,666,218 |

Aging analysis for trade accounts receivable were as follows:

| | (Unit : Baht) | | | |
|--------------------------------------|---------------|--------------|--------------|--------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Within credit terms | 250,000 | 5,631,063 | - | 5,631,063 |
| Overdue: | | | | |
| Not over 3 months | 7,580,480 | 7,490,153 | 6,467,080 | 6,990,153 |
| 3 - 6 months | 5,813,600 | 74,931,811 | 4,536,800 | 74,808,673 |
| 6 - 12 months | 10,405,296 | 914,762 | 10,405,296 | - |
| Over 12 months | 73,344,873 | 10,206,096 | 70,811,873 | 7,884,196 |
| Total | 97,394,249 | 99,173,885 | 92,221,049 | 95,314,085 |
| Less allowance for doubtful accounts | (92,713,089) | (73,250,709) | (90,180,089) | (71,217,709) |
| Net | 4,681,160 | 25,923,176 | 2,040,960 | 24,096,376 |

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Allowance for doubtful accounts have changed during the years as follows:

| | (Unit : Baht) | | | |
|-------------------|---------------|------------|------------|------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Beginning balance | 73,250,709 | 7,210,096 | 71,217,709 | 7,210,096 |
| Increase - net | 19,462,380 | 66,040,613 | 18,962,380 | 64,007,613 |
| Ending balance | 92,713,089 | 73,250,709 | 90,180,089 | 71,217,709 |

As ended of February 28, 2017, the Company received the payment from accounts receivable as follow;

Overdue, not over 3 months received of Baht 115,560.

Overdue, 6 - 12 months received of Baht 102,885.

Overdue, over 12 months received of Baht 100,000.

As at December 31, 2015, the Company has allowance for doubtful accounts from one of debtors amount of Baht 61.21 million. The trade receivable defaulted in return the sponsorship from the sport tournament, which the Company was the financial investor with amount of Baht 86.43 million according to the contract project of the golf tournament "Thailand Classic". The Company has filed with the Civil Court on July 15, 2016. Subsequently, the Court has appointed for reconciliation on March 8, 2017.

9. Amounts due from a former related company - net

| | (Unit : Baht) | | | |
|---|---------------|--------------|--------------|--------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Amounts due from a former related company | | | | |
| - Siam Dimension Stone Co., Ltd. | | | | |
| Loans receivable | 70,738,314 | 70,738,314 | 70,738,314 | 70,738,314 |
| Accrued service income | 2,806,000 | 2,806,000 | 2,806,000 | 2,806,000 |
| Total | 73,544,314 | 73,544,314 | 73,544,314 | 73,544,314 |
| Less allowance for doubtful accounts | (73,544,314) | (73,544,314) | (73,544,314) | (73,544,314) |
| Amounts due from a former related company - net | - | - | - | - |

The Company has filed a Civil Court against the receivable on October 15, 2012. And on December 17, 2012, the Civil Court judged that the customer as the defendant had to pay the debt as amount of Baht 73.54 million with the interest rate of 7.5 percent per annum. On December 11, 2015, the Company has filed to the Central Bankruptcy Court for the bankrupt. On March 7, 2016 the Central Bankruptcy Court has ordered to freeze assets of the debtor.

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10. Hire-purchase contract receivables

| | (Unit : Baht) | | | |
|--|---------------|------|--------------|------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Hire-purchase contract receivables | 121,659,266 | - | 121,659,266 | - |
| Less Unearned interest income | (23,461,293) | - | (23,461,293) | - |
| Net | 98,197,973 | - | 98,197,973 | - |
| Less Current portion of hire-purchase contract receivables | (12,310,152) | - | (12,310,152) | - |
| Net | 85,887,821 | - | 85,887,821 | - |

In during year 2016, the Company signed a contract of selling lighting and air conditioning systems with a non-related company. The delivery and inspection tasks completed in August 2016 and the Company will receive payment under the contract in monthly installments totaling 84 installments in the amount of Baht 1,000,000 (excluded VAT), starting the first installment in September 2016. On November 11, 2016 signed a contract of selling lighting and air conditioning systems phase 2-1 and the Company will receive payment under the contract in monthly installments totaling 84 installments in the amount of Baht 407,853 (excluded VAT), starting the first installment in January 2017.

11. Other current assets

| | (Unit : Baht) | | | |
|----------------------------|---------------|------------|------------|------------|
| | Consolidated | | Separated | |
| | 2016 | 2015 | 2016 | 2015 |
| Refundable value added tax | 57,191,921 | 47,322,008 | 56,085,827 | 46,598,721 |
| Withholding tax | 10,266,534 | 7,530,253 | 10,266,534 | 7,530,253 |
| Deposit | 296,520 | 4,791,620 | 296,520 | 2,284,120 |
| Other - net | 1,058,173 | 10,447,908 | 949,663 | 9,246,628 |
| Total | 68,813,148 | 70,091,789 | 67,598,544 | 65,659,722 |

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12. Investments in associates

The movement of investments in associates for the year ended December 31, 2016 is as follows:

| | (Unit : Baht) |
|-------------------------------------|----------------------|
| | <u>Consolidated</u> |
| As at January 1, 2016 | 171,180,768 |
| Purchase / Increase investment | 24,687,500 |
| Loss from investments in associates | (672,874) |
| Sale of investment | <u>(195,195,394)</u> |
| As at December 31, 2016 | <u>-</u> |

Details of investments in associate as at December 31, 2016 and 2015 consist of:

| | | Thousand Baht | | | | | | | | | |
|-------------------------|--------------------|--------------------|-------|------------------|--------|--------------|------|-------------|---------|---------------|---------|
| | | Thousand Baht | | Investment Units | | Shareholding | | Investment | | | |
| | | Issued and paid-up | | of subsidiaries | | (percentage) | | Cost method | | Equity method | |
| Associate | Nature of business | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Winchai Company Limited | Wind Energy | - | 5,000 | - | 12,500 | - | 25 | - | 171,250 | - | 171,180 |

The Board of Directors' Meeting No.11/2015 held on October 8, 2015, approved the purchase of common stock of Winchai Company Limited, whose the principal business operations is the electrical energy, from K-Shipping Co.,Ltd. in the amount of 12,500 shares, shareholding of 25 percent of the registered capital with a value of Baht 13,700 per share totaling Baht 171,250,000. The purchase of common stock invested by Demeter Power Company Limited (subsidiary). The Company registered a share transfer on October 12, 2015, which its shareholding is 25 percent of paid-up share capital.

On May 30, 2016, Demeter Power Company Limited (subsidiary) made a payment of share capital increase of Winchai Company Limited in the amount of Baht 24,687,500 (987,500 shares with a value of Baht 25 per share). Demeter Power Company Limited remains its shareholding of 25 percent in Winchai Company Limited.

The Board of Directors' Meeting No.7/2016 held on August 25, 2016, approved the disposal of the ordinary shares of WIN held by Demeter Power Company Limited (subsidiary) equivalent to 25 percent of the registered capital of WIN.

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Demeter Power Company Limited (subsidiary) signed the agreement of selling the ordinary shares of WIN equivalent to 25 percent to First Alpha Venture Company Limited ("FAV"). On September 29, 2016, the subsidiary signed the share transferred document of WIN in the amount of 1,000,000 shares equivalent to 25 percent of the registered capital of WIN at the total purchase price of Baht 215,000,000. The consolidated financial statement recorded gain on sales of investment in the amount of Baht 19.80 million. FAV was registered in the shareholder's listing of WIN at the Ministry of Commerce on October 20, 2016, which resulted the completion of agreement. The subsidiary received the payment of Baht 215,000,000 on October 25, 2016.

13. Investments in subsidiaries, at cost method

As at December 31, 2016 and 2015, investments in subsidiaries are as follows:

| Companies | (Unit : Thousand Baht) | | | | | | | |
|-----------------------------------|------------------------|--------|--------------|--------|----------|----------|------------------------|------|
| | Separate | | | | | | | |
| | Issued and paid-up | | % of Holding | | At cost | | Dividend for the years | |
| | share capital | | | | | | ended | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Demeter Media Company Limited | 48,000 | 48,000 | 100.00 | 100.00 | 73,862 | 73,862 | - | - |
| Demeter ICT Company Limited | - | 10,000 | - | 99.99 | - | 10,000 | - | - |
| Demeter Power Company Limited | 85,000 | 85,000 | 99.99 | 99.99 | 85,000 | 85,000 | - | - |
| Aukkarawat Plant Renewable | | | | | | | | |
| Energies company Limited | 5,000 | - | 16.40 | - | 45,424 | - | - | - |
| Less Allowance for devaluation of | | | | | | | | |
| investments | | | | | (62,554) | (59,733) | - | - |
| Total | | | | | 141,732 | 109,129 | - | - |

13.1 During the year ended December 31, 2016, the Company sold its investment in Demeter ICT Company Limited, a subsidiary in which DCORP holds 99.99 percent of its registered capital, to unrelated parties, amount 0.99 million shares in the amount of Baht 8.10 million. The consolidated gain from sale its investment was included in "Other income" in the amount of Baht 1.16 million and the separate financial statement recorded loss from disposal of investments, which was included in "Administrative expenses" in the amount of Baht 1.90 million respectively.

13.2 The Meeting of the Board of Directors No. 10/2016 of Demeter Corporation Public Company Limited (the "Company") was held on December 16, 2016, The Company would like to inform that the meeting resolved to approve the investment in the biogas power plant project located in Suphanburi Province (the "Project") as owned and operated by Aukkarawat Plant Renewable Energies Co., Ltd. ("Aukkarawat). The investment transactions are as follows : Part 1 Acquisition of 25,000 ordinary shares in Aukkarawat from the existing shareholders,

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equivalent to 50 percent of the registered capital of Aukkarawat, at the purchase price of Baht 4,400 per share, totaling Baht 110 million. The completion of the transaction is expected to be within July 2017. The completion of the Share Acquisition Transaction will be divided into three milestone

- 1) First milestone : 8,200 shares, representing 16.40% of Aukkarawat's total issue shares within December 2016, Second milestone : 8,619 shares, representing 17.24% of Aukkarawat's total issue shares within January 2017, and third milestone : 8,181 shares, representing 16.36% of Aukkarawat's total issue shares within July 2017.
- 2) Investment budget for power plant facility improvement and procurement and installation of machinery of up to Baht 180 million.

On December 28, 2016, the Company executed an agreement with the existing shareholder of Aukkarawat to amend the terms of the Share Purchase Agreement. Material amendment to the Share Purchase Agreement is that there are changes to the Shareholding structure in Aukkarawat under which certain shares of the existing shareholders were transferred to Thanayatorn Power Plant Co.,Ltd. and therefore Thanayatorn Power Plant will be the transferring shareholder under the terms of the Share Purchase Agreement.

On December 30, 2016, the Company paid cash of Baht 74 million for the first portion of shares purchase (8,200 shares), of Baht 36.08 million. The first portion of shares was transferred to the Company on that date. For the rest amount of Baht 37.92 million, it represented advance payment for the second portion of shares purchase (8,619 shares) that was recorded as a non-current asset on December 31, 2016. Subsequently, the second portion of shares was transferred to the Company on January 12, 2017.

In addition, the Company paid for a commission fee of 9.34 million for such shares acquisition. Thus, as at December 31, 2016, value of investment was stated at the amount of Baht 45.42 million.

As at December 31, 2016, the Company is considering the business's fair value, and has assigned the independent appraiser to evaluate such business fair value. At the date of approved financial statements, the Company is considering such information. Accordingly, the fair value of assets and liabilities acquired as at the date of acquisition is the estimated value and may be adjusted.

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values for certain acquisitions of businesses acquired during 2016 is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

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14. Property, plant and equipment - net

Movements of the property, plant and equipment - net account for the year ended December 31, 2016, are summarized below :

(Unit : Baht)

| | Consolidated | | | | | | |
|--|--------------------|-------------|--------------|---------------------------------------|------------------------------|--------------------------|----------------------|
| | January 1, 2016 | Increase | Decrease | Transfer to investment property | Sale business (Note 13.1) | Acquisition (Note 29) | December 31, 2016 |
| <u>Cost</u> | | | | | | | |
| Land | 13,356,941 | - | - | (13,356,941) | - | - | - |
| Building | 16,713,059 | - | - | (16,713,059) | - | 24,172,337 | 24,172,337 |
| Building improvements | 16,255,360 | - | - | - | - | - | 16,255,360 |
| Tools and equipment | 12,561,719 | - | - | (12,561,719) | - | - | - |
| Furniture, fixture and office equipment | 11,181,888 | 393,549 | - | (1,002,835) | (250,062) | - | 10,322,540 |
| Vehicle | 11,696,383 | - | - | - | - | - | 11,696,383 |
| Machinery and equipment | - | - | - | - | - | 3,909,519 | 3,909,519 |
| Construction in progress | - | 77,079,680 | (77,079,680) | - | - | - | - |
| Total | 81,765,350 | 77,473,229 | (77,079,680) | (43,634,554) | (250,062) | 28,081,856 | 66,356,139 |
| <u>Accumulated depreciation</u> | | | | | | | |
| Building | (989,406) | (207,772) | 147,805 | 1,049,373 | - | (4,889,655) | (4,889,655) |
| Building improvements | (427,188) | (812,768) | - | - | - | - | (1,239,956) |
| Tools and equipment | (3,305,087) | (616,931) | - | 3,922,018 | - | - | - |
| Furniture, fixture and office equipment | (1,895,956) | (2,054,741) | - | 581,867 | 46,385 | - | (3,322,445) |
| Vehicle | (2,179,842) | (2,339,276) | - | - | - | - | (4,519,118) |
| Machinery and equipment | - | - | - | - | - | (2,202,285) | (2,202,285) |
| Total | (8,797,479) | (6,031,488) | 147,805 | 5,553,258 | 46,385 | (7,091,940) | (16,173,459) |
| Allowances for impairment of assets | (10,859,653) | - | - | 10,859,653 | - | - | - |
| Net | 62,108,218 | | | | 203,677 | 20,989,916 | 50,182,680 |
| <u>Depreciation expense for the year</u> | | | | | | | |
| December 31, 2016 | | | | | | | 6,018,013 |
| December 31, 2015 | | | | | | | 6,118,865 |

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| | (Unit : Baht) | | | | |
|--|--------------------|-------------|--------------|----------|----------------------|
| | Separate | | | | |
| | January 1, 2016 | Increase | Decrease | Transfer | December 31, 2016 |
| <u>Cost</u> | | | | | |
| Building improvements | 16,255,360 | - | - | - | 16,255,360 |
| Furniture, fixture and office equipment | 9,928,991 | 393,549 | - | - | 10,322,540 |
| Vehicle | 11,696,383 | - | - | - | 11,696,383 |
| Construction in progress | - | 77,079,680 | (77,079,680) | - | - |
| Total | 37,880,734 | 77,473,229 | (77,079,680) | - | 38,274,283 |
| <u>Accumulated depreciation</u> | | | | | |
| Building improvements | (427,188) | (812,768) | - | - | (1,239,956) |
| Furniture, fixture and office equipment | (1,322,304) | (2,000,141) | - | - | (3,322,445) |
| Vehicle | (2,179,842) | (2,339,276) | - | - | (4,519,118) |
| Total | (3,929,334) | (5,152,185) | - | - | (9,081,519) |
| Net | 33,951,400 | | | | 29,192,764 |
| <u>Depreciation expense for the years</u> | | | | | |
| December 31, 2016 | | | | | 5,152,185 |
| December 31, 2015 | | | | | 3,532,547 |

As of December 31, 2016, the Company and subsidiaries have the property with historical costs of Baht 991,520 that are in use but fully depreciated (Separate : Baht 222,001).

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15. Investment Property

| | (Unit : Baht) | | | | |
|--|--------------------|------------------------------------|-------------|-------------|----------------------|
| | Consolidated | | | | |
| | January 1, 2016 | Transfer to investment property | Increase | Decrease | December 31, 2016 |
| <u>Cost</u> | | | | | |
| Land | - | 13,356,941 | - | - | 13,356,941 |
| Building | - | 16,713,059 | - | - | 16,713,059 |
| Tools and equipment | - | 12,561,719 | - | (991,321) | 11,570,398 |
| Furniture, fixture and office equipment | - | 1,002,835 | - | (126,884) | 875,951 |
| Total | - | 43,634,554 | - | (1,118,205) | 42,516,349 |
| <u>Accumulated depreciation</u> | | | | | |
| Building | - | (1,049,373) | (183,233) | - | (1,232,606) |
| Tools and equipment | - | (3,922,018) | (1,816,655) | 446,236 | (5,292,437) |
| Furniture, fixture and office equipment | - | (581,867) | (123,768) | 123,747 | (581,888) |
| Total | - | (5,553,258) | (2,123,656) | 569,983 | (7,106,931) |
| Allowances for impairment of assets | - | (10,859,653) | - | - | (10,859,653) |
| Net | - | | | | 24,549,765 |
| <u>Depreciation expense for the year</u> | | | | | |
| December 31, 2016 | | | | | 2,123,656 |
| December 31, 2015 | | | | | - |

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16. Intangible asset - net

Movements of intangible asset - net for the years ended December 31, 2016 and 2015, are as follow:

| | (Unit : Baht) | | | |
|--|---------------|---------------|---------------|---------------|
| | Consolidated | | Separated | |
| | 2016 | 2015 | 2016 | 2015 |
| <u>Cost</u> | | | | |
| Beginning balance | 618,867,737 | 82,474,228 | 618,867,737 | 82,474,228 |
| Additions | - | 588,275,070 | - | 588,275,070 |
| Transfer out | - | (51,881,561) | - | (51,881,561) |
| Ending balance | 618,867,737 | 618,867,737 | 618,867,737 | 618,867,737 |
| <u>Accumulated amortization</u> | | | | |
| Beginning balance | (178,479,641) | (23,367,703) | (178,479,641) | (23,367,703) |
| Accumulated amortization for the years | (47,558,676) | (155,111,938) | (47,558,676) | (155,111,938) |
| Transfer out | - | - | - | - |
| Ending balance | (226,038,317) | (178,479,641) | (226,038,317) | (178,479,641) |
| <u>Ending balance</u> | 392,829,420 | 440,388,096 | 392,829,420 | 440,388,096 |
| <u>Less Allowance for impairment</u> | (353,887,686) | (312,443,216) | (353,887,686) | (312,443,216) |
| Net | 38,941,734 | 127,944,880 | 38,941,734 | 127,944,880 |

Accumulated amortization have changed during the years as follows:

| | (Unit : Baht) | | | |
|-------------------|---------------|-------------|-------------|-------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Beginning balance | 312,443,216 | - | 312,443,216 | - |
| Increase - net | 41,444,470 | 312,443,216 | 41,444,470 | 312,443,216 |
| Ending balance | 353,887,686 | 312,443,216 | 353,887,686 | 312,443,216 |

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Intangible asset-net are as follows:

- 16.1 On January 30, 2015, the Company entered into an Agreement relating to the purchase of the right to manage the broadcasting time (the “**Broadcasting Right Purchase Agreement**” or the “**BPA**”) with Media Agency Thai Company Limited (“**MAT**”). Under the BPA, the Company has been appointed as a co-manager, with the exclusive right to manage the broadcasting time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time and products and services advertised through 5 satellite television channels (the “**Right to Manage the Satellite Television Broadcasting**”) for a period of 3 (three) years commencing on January 30, 2015 and ending on January 29, 2018. In consideration of the Right to Manage the Satellite Television Broadcasting, the Company agreed to make payments to MAT consisting of a) a onetime payment in the total amount of Baht 369,200,000 within 15 days from the date of the BPA, and monthly payments in the amount of Baht 10,300,000 (excluded VAT) throughout the term of the BPA. Under the BPA, MAT agrees to guarantee a monthly minimum income amount derived from the BPA for the Company in the amount of VAT included of Baht 24,000,000 for the first year, Baht 19,000,000 for the second year, and Baht 12,900,000 for the third year. If the income derived from the BPA is less than the aforementioned guaranteed amounts, MAT agrees to compensate the Company by making payments of the shortfall amount in order to procure that the Company receives the guaranteed amounts within the 25th day of each month, and the first payment shall be made by MAT on February 2015.

For the period between February 2015 and September 30, 2015, there are outstanding payments relating to the guaranteed minimum income consisting of the principal amount of Baht 93,543,538.46 and the default interest thereon in the amount of Baht 1,703,493.75 (together referred to as the “**Outstanding Payments**”) to be paid by MAT to the Company.

The Company and MAT negotiated on this matter and agreed to enter into the following agreements for the settlement of debts arising out of or that will arise from the BPA:

1. The Outstanding Payments

On November 11, 2015, the Company and MAT entered into the Debt Restructuring Agreement in order to set out a repayment plan for the Outstanding Payments (the principal amount of Baht 93,543,538.46 and the default interest thereon in the amount of Baht 1,703,493.75) for MAT. According to the Debt Restructuring Agreement, the Company and MAT agree that payment of the Outstanding Payments shall be made by 36 installments, provided that the first installment shall be made on the last business day of December 2015 and each of next installments shall be made on the last business day of each month. In this respect, MAT shall repay the unpaid default interest to the Company together with the last installment.

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2. Other future debts which may arise from the BPA

For other future debts which may arise from the BPA (including the guaranteed minimum income), MAT informed the Company that MAT will be entitled to the right to broadcast the Spain Copa del Rey 2015/16, 2016/17 and 2017/18 in Thailand and the right to broadcast the Golf European Tour Program in Thailand for 3 seasons i.e. the years 2016, 2017 and 2018 (together referred to as the **“Broadcasting Rights”**). In this regard, MAT agrees to negotiate with a broadcasting operator operating a television channel in order to grant the Broadcasting Rights to such operator. Based on the information provided by MAT, upon successful negotiation of this, MAT shall be entitled to the right to manage the advertising time during the broadcasting of such competition programs.

On September 1, 2015, MAT entered into the Sub-Lease Agreement for lease of a broadcasting channel for the broadcasting of the Golf European Tour Program with GTC Media Limited (the **“Sub-Lease Agreement”**). Under the Sub-lease Agreement, MAT is entitled to the right to manage the advertising time and receive the income derived from sale of the advertising time during the broadcasting of the Golf European Tour Program (the right to manage the advertising time during the broadcasting of the Spain Copa del Rey and the Golf European Tour Program shall be referred to as the **“Right to Sell the Advertising Time”**).

MAT proposed to the Company that, after receipt of the money derived from the Right to Sell the Advertising Time, MAT will use such money for the repayment of all outstanding payments and other debts owed to the Company. Nevertheless, the Company viewed that there was a possibility that MAT may fail to manage or sell such Right to Sell the Advertising Time or may default on other payments due. Consequently, the Company and MAT negotiated on this matter and agreed that MAT would transfer the Right to Sell the Advertising Time to the Company. In addition, the Company would still be entitled to the income derived from the BPA, provided that the Company sets off the outstanding debts arising from the BPA against the income generated by the Company as a result of the management or sale of the Right to Sell the Advertising Time.

Therefore, on November 10, 2015, the Company entered into the Agreement relating to the repayment method under the Broadcasting Right Purchase Agreement with MAT (the **“Repayment Agreement”**). The objective of the Repayment Agreement is to specify and set out the terms and conditions for the repayment of the outstanding debts and other future debts which may arise from the BPA between the Company and MAT (excluding the Outstanding Payments). In order to ensure that the Company shall receive all money derived from the management or sale of the Right to Sell the Advertising Time, the Repayment Agreement requires MAT to exclusively transfer to the Company the Right to Sell the Advertising Time.

According to the Repayment Agreement, MAT shall transfer to the Company the Right to Sell the Advertising Time. By execution of the Repayment Agreement, the Company shall be entitled to manage the broadcasting

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time, the purchase and sale of broadcasting time, lease or lease out the broadcasting time or do other actions for generating income from such Right to Sell the Advertising Time (As the mentioned right is a management right, therefore the Company shall be entitled to deduct other expenses relating to the management and sale of such right from the revenue generated from such right). The net profit derived from the Right to Sell the Advertising Time shall be set off against the debts arising out from the BPA owed by MAT to the Company.

The Company did not record the fair value of the "Right to Sell the Advertising Time" as non-intangible asset in the financial statement since the received right is not considered as a novation. In this regard, the Repayment Agreement does not restrain MAT from performing its duties and obligations under the BPA. The Company and MAT intend to set forth methods for the repayment of debts arising out of the BPA and entitle the Company to deduct the income generated by the Right to Sell the Advertising Time from outstanding debts owed by MAT under the BPA. The Company shall also be entitled to claim the guaranteed minimum income provided by MAT to the Company under the BPA.

Inter-company contingencies and liabilities under that agreement, as of December 31, 2016, remain at Baht 316.57 million, comprising:

a. Receivables under the Debt Restructuring Agreement remain as at December 31, 2016, of Baht 76.48 million (included VAT). The details are as follows:

| Details | (Unit : Million Baht) |
|--|-----------------------|
| Accounts receivable under the Debt Restructuring Agreement | 95.24 |
| Less Payment received | (18.76) |
| Receivables under the Debt Restructuring Agreement as at December 31, 2016 | 76.48 |

b. Value under the Repayment Agreement of Baht 240.09 million (excluded VAT). The details are as follows:

| Details | (Unit : Million Baht) |
|--|-----------------------|
| Fair value of the right to sell the advertising time during the broadcasting of Golf European Tour Program | 254.79 |
| Less Payment received | (14.70) |
| Value under the Repayment Agreement as at December 31, 2016 | 240.09 |

From the incident, the Company hasn't recognized revenues of the BPA on statement unless receipt of the money from MAT (Cash basis).

On December 31, 2015 the Company recorded a provision for impairment of the rights with its net book value.

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- 16.2 The rights to manage the satellite television channels for 16 channels at the cost of Baht 82 million including the rights for the period from December 2010 to November 2020 for 8 channels, and for the period from June 2013 to May 2023 for 8 channels.

On August 26, 2015, the Company signed an agreement of early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels for the period from June 2013 to May 2023 and wrote off intangible assets amount of Baht 31.62 million.

On November 17, 2015, the Company signed an agreement of early termination of the satellite television co-production agreement with M.V. Television (Thailand) Co., Ltd. for the 8 satellite television channels for the period from December 2010 to November 2020 by gradually termination. The Company wrote off intangible assets amount of Baht 20.26 million.

- 16.3 The rights of broadcasting and broadcast sounds in movies at the cost of Baht 117.44 million and the broadcasting and broadcast sounds in EDGE SPORT contents at the cost of Baht 67.84 million. The Company has recorded a provision for impairment of broadcasting movies amount of Baht 22.49 million. And the Company has record a provision for impairment of broadcast sounds in EDGE SPORT amount of Baht 41.44 million.

- 16.4 The rights of live broadcast of soccer match at the cost of Baht 48 million. The Company has recorded a provision for impairment amount of Baht 43.66 million.

Amortization expenses for the years ended December 31, 2016 and 2015, amount of Baht 47.56 million and Baht 155.11 million respectively, were recorded as “Cost of broadcasting rights” and “Cost of programme co-production” respectively on statements of comprehensive income.

17. Non-current assets held for sales - net

As at December 31, 2016 and 2015, non-current assets held for sales were non-operating assets represented the following assets for the construction stone mining which have been suspended, at the cost of Baht 17.02 million and the Company has made a provision for impairment all.

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18. Other non-current assets

| | (Unit : Baht) | | | |
|---------------------------------|---------------|--------------|--------------|--------------|
| | Consolidated | | Separated | |
| | 2016 | 2015 | 2016 | 2015 |
| Other deposits | 65,011,816 | 606,600 | 64,897,816 | 592,600 |
| Debt restructuring | 39,304,000 | 39,304,000 | 39,304,000 | 39,304,000 |
| Allowance for doubtful accounts | (39,304,000) | (39,304,000) | (39,304,000) | (39,304,000) |
| Total | 65,011,816 | 606,600 | 64,897,816 | 592,600 |

On July 15, 2015, the Company signed an agreement of debt restructuring and acknowledgement of debt of a debtor. Under the terms of the agreement, the debtor will complete the debt repayment within 36 months by monthly installment, completing in July 2018 as following terms; The 1st month period to the 12th month period, to pay not less than Baht 500,000. The 13th month period to the 33th month period, to pay not less than Baht 1,500,000. The 34th month period to the 35th month period, to pay not less than Baht 2,000,000. The debtor agreed to pay the remaining debt within the 36th period (July 2018).

As at December 31, 2016, the Company has recorded a provision for doubtful accounts from debt restructuring in full amount since the debtor defaulted in the payment according to the agreement of debt restructuring and acknowledgement of debt.

19. Loans from other persons

Loan from other persons who are a group of old shareholders of a subsidiary company.

20. Other current liabilities

| | (Unit : Baht) | | | |
|------------------|---------------|-----------|-----------|-----------|
| | Consolidated | | Separated | |
| | 2016 | 2015 | 2016 | 2015 |
| Undue output vat | 9,252,902 | 8,934,773 | 8,987,207 | 8,725,473 |
| Other | 2,353,678 | 661,575 | 615,012 | 484,626 |
| Total | 11,606,580 | 9,596,348 | 9,602,219 | 9,210,099 |

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21. Finance lease liability – net

| | (Unit : Baht) | | | |
|---|------------------|------------------|------------------|------------------|
| | Consolidated | | Separated | |
| | 2016 | 2015 | 2016 | 2015 |
| Finance lease liability | 5,349,515 | 7,554,792 | 5,349,515 | 7,554,792 |
| <u>Less</u> Deferred interest expense | (489,504) | (915,445) | (489,504) | (915,445) |
| Net | 4,860,011 | 6,639,347 | 4,860,011 | 6,639,347 |
| <u>Less</u> Current portion due within one year | (1,915,306) | (1,780,777) | (1,915,306) | (1,780,777) |
| Net | <u>2,944,705</u> | <u>4,858,570</u> | <u>2,944,705</u> | <u>4,858,570</u> |

22. Provision for employee benefits

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

| | (Unit : Baht) | | | |
|---|------------------|------------------|------------------|----------------|
| | Consolidated | | Separated | |
| | 2016 | 2015 | 2016 | 2015 |
| Provision for employee benefits - beginning | 1,056,211 | 430,543 | 945,889 | 430,543 |
| Employee benefit expenses | | | | |
| Current service cost | 1,097,793 | 221,698 | 1,097,793 | 111,376 |
| Interest cost | 28,472 | 14,324 | 28,472 | 14,324 |
| Actuarial (gain) loss | (574,029) | 389,646 | (574,029) | 389,646 |
| <u>Less</u> liability decrease from actual paid | (110,322) | - | - | - |
| Provision for employee benefits - ending | <u>1,498,125</u> | <u>1,056,211</u> | <u>1,498,125</u> | <u>945,889</u> |

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Principal actuarial assumptions at the reporting date (Actuarial basis)

| | (Unit : Baht) | | | |
|----------------------------|---------------|-------------|-----------|------|
| | Consolidated | | Separated | |
| | 2016 | 2015 | 2016 | 2015 |
| Discount rate (%) | 2.47 - 2.74 | 3.01 - 4.03 | 2.74 | 3.01 |
| Future salary increase (%) | 5.00 | 5.00 | 5.00 | 5.00 |
| Retirement age (years old) | 60 | 60 | 60 | 60 |

23. Other non-current liabilities

| | (Unit : Baht) | | | |
|------------------------------------|---------------|-----------|-----------|-----------|
| | Consolidated | | Separated | |
| | 2016 | 2015 | 2016 | 2015 |
| Guarantee received - co-production | 2,830,050 | 2,157,800 | 2,830,050 | 2,157,800 |

24. Share capital and warrants

24.1 Share capital

1. The Extraordinary General Meeting of Shareholders No. 2/2014 held on Wednesday, November 26, 2014, approved registered capital increase of the Company for another Baht 91,775,000 from the existing registered capital in the amount of Baht 300,000,000 to Baht 391,775,000 by issuing capital increase common shares in the amount of 91,775,000 shares. The specified share par value is at Baht 1 in order to enter into acquisition of property with shareholders of Demeter Media Company Limited (formerly name U Best Point Media Company Limited) ("DMedia") and acquisition of the asset with Media Agency Thai Company Limited ("Media Agency") and allocation of the issuing capital increase common shares to Mr. Thana Benchathikul as follows:

- 1) The newly issued capital increase common shares to be allocated to the shareholders of DMedia at the amount of 5,625,000 shares at the offering price of 8 Baht per share and from such newly issued shares, the Company will receive the common shares of DMedia at the amount of 480,000 shares at the par value of 100 Baht.

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- 2) The newly issued capital increase common shares to be allocated to Media Agency at the amount of 46,150,000 shares at the offering price of 8 Baht per share and the Company shall take step on obtaining the right of managing airing time from Media Agency.
- 3) The newly issued capital increase common shares to be allocated to Mr. Thana Benchathikul at the amount of 12,000,000 shares at the offering price of 8 Baht per share.

The Company registered the increase share capital with the Ministry of Commerce on January 29, 2015, and registered the paid-up capital for 51,775,000 shares and 12,000,000 shares on February 6, 2015 and February 16, 2015 respectively; therefore, the paid-up capital of the Company is Baht 263,775,000.

2. The Extraordinary General Meeting of Shareholders No. 2/2015 which was held on February 19, 2015, passed the resolutions as follows.

- 1) Approved the increase in the registered capital of the Company an amount of Baht 263,775,000 from the current registered capital of Baht 391,775,000 to Baht 655,550,000 by issuing 263,775,000 ordinary shares with the par value of Baht 1 per share, to accommodate the allocation of the newly issued shares to the shareholders proportionate to their shareholding (Right Offering).
- 2) Approved the amendment of Clause 4 of the Company's Memorandum of Association in order to be consistent with the capital increase, using the following message instead.

“Article 4 Share capital registered amount of baht 655,550,000 (six hundred and fifty-five million, five hundred and fifty thousand baht).

Divided into 655,550,000 shares (six hundred and fifty-five million, five hundred and fifty thousand shares)

Par value baht 1 (one baht)

Common share 655,550,000 shares (six hundred and fifty-five million, five hundred and fifty thousand shares)

Preference share - share (-)”

- 3) Approved the allocation of 263,775,000 newly issued shares at the par value of Baht 1 per share to the existing shareholders proportionate to their shareholding (Right Offering) at a ratio of 1 existing share per 1 new share, at the offering price of Baht 6 per share.
- 4) Approved the issuance of the debentures in an amount of not exceeding Baht 2,000 million or in an equivalent amount in another currency, with the following details:

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| | |
|-----------------------|---|
| Objective | To expand future business of the Company and for revolving fund of the Company. |
| Type | All types and all kinds of debentures (with or without collateral), depending on the appropriateness of the market condition at the time that each debenture is issued and offered. |
| Currency | Baht and/or foreign currency by using the exchange rate each time the debenture is issued and offered. |
| Total value | <p>Not exceeding Baht 2,000,000,000 or in an equivalent amount in another currency.</p> <p>In this regard, the Company is able to issue and offer additional debentures and/or issue and offer debentures in place of the existing debentures which have been redeemed within such credit line. Any debenture issued by the Company at any time shall have a value not exceeding such credit line.</p> |
| Term of the debenture | Not exceeding 5 years from the date of each issuance. |
| Offering | To offer for one time or several times and/or as a project and/or on a revolving basis, though a public offering and/or private placement and/or offer to local institutional investors and/or international investors, at the same time or at a different time, pursuant to the Notification of the Securities and Exchange Commission and/or the Office of the Securities and Exchange Commission and/or other related regulations which are in force at the time such debenture is issued and offered. |
| Call redemption | The debenture-holder and the Company may or may not have the right to redeem their debentures before their maturity date, depending on the terms and conditions of each issuance of debentures. |
| Interest rate | Depending on the market condition at the time of the issuance and offering of the debenture, or the terms and conditions of the debenture issued at such time, pursuant to the Notification of the Securities and Exchange Commission and/or the Office of the Securities and Exchange Commission and/or other related regulations which are in force at the time such debenture is issued and offered. |

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Other details The Board of Directors, including the person assigned by the Board of Directors, shall have the following powers:

- (2) To determine details relevant to the debentures, including the type, name, interest rate, redemption period, appointment of the debenture-holder's representative, as well as the details relating to the offering, including but not limited to, price, procedure and offering and allotment period.
- (2) To appoint the financial advisor and/or the underwriter and/or credit rating institution of the issuer and/or the securities and/or any other person where the appointment is regulated as required by the relevant rules or in any other cases in which the Company deems it appropriate.
- (3) To deal with, negotiate, execute and/or amend the agreements and/or documentation, as well as provide information, submit documentation to the Office of the Securities and Exchange Commission and/or other agencies relating to the issuance and offering of such debentures, including the undertaking of any actions relevant to or necessary for such transaction as it is deemed appropriate.

The Company registered the increase of paid-up capital amount of 166,712,646 shares with the Ministry of Commerce on April 7, 2015; therefore, the paid-up capital of the Company is Baht 430,487,646. The Company received money from the capital increase at the amount of 166,712,646 shares at the offering price of Baht 6 per share, total amount of Baht 1,000,275,876 on April 3, 2015.

3. The Board of Directors' Meeting No. 2/2015 which was held on January 21, 2015, passed the resolutions as follows.

- 1) To approve the establishment of 2 subsidiaries which details are as follows:

- 1.1) Demeter ICT Company Limited (formerly name AJP Information Technology Company Limited) or DICT, which have the registered capital of Baht 10,000,000, divided into 1,000,000 shares, with the par value of Baht 10 per share. The main objective of DICT is to engage in the business of information technology and related business. The Company will hold 999,998 shares, equivalent to 99.99 percent of the total shares in DICT.

- 1.2) Demeter Power Company Limited (formerly name AJP Power Company Limited) or DPower, which have the registered capital of Baht 10,000,000, divided into 1,000,000 shares, with the par value of Baht 10 per share. The main objective of DPower is to engage in the energy business and related

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business. The Company will hold 999,998 shares, equivalent to 99.99 percent of the total shares in DPower.

4. As the Annual General Meeting of Shareholders No. 1/2015 (as adjourned) which was held on May 14, 2015, approved the reduction of the registered capital of the Company from Baht 655,550,000 to Baht 558,487,646 by canceling 97,062,354 unissued registered shares of the Company with a par value of Baht 1 per share and approved the increase of the registered capital of the Company from Baht 558,487,646 to Baht 590,547,570 by issuing 32,059,924 newly issued ordinary shares with a par value of Baht 1 per share. The Company has registered the change in paid-up share capital with the Ministry of Commerce on May 28, 2015.

24.2 Warrants

As of May 26, 2014, warrant to purchase ordinary shares of the Company has been listed on the Stock Exchange of Thailand (trading commencement on May 26, 2014) - DCORP-W1 with major characteristics as follows:

| | |
|---------------------|---|
| Number of Warrants: | Not exceeding 100,000,000 units |
| Underlying Shares: | Not exceeding 100,000,000 shares |
| Rights of Warrants: | The holder of warrant certificate has the right to purchase ordinary share of the Company of 1 warrant for 1 new share with the exercise price of Baht 3 per 1 ordinary share (unless the exercise price is adjusted according to the conditions of the rights adjustment)**. |
| Type of Warrants: | Named certificate and transferable |
| Term of Warrants: | 3 years from the issuance date |

- ** The Board of Directors' Meeting No. 4/2015 which was held on March 16, 2015, passed the resolutions on the adjustment to the exercise ratio and the exercise price of warrants. The 1 unit of warrant shall be entitled to purchase 1.60 newly issued share. The new exercise price is Baht 1.87 per share. The Company will reserve the capital increase at the amount of 160,059,924 shares.

On February 25, 2016, the warrant holders of DCORP-W1 exercised 1,382,200 units and the Company received Baht 4,144,839 from the issuance of 2,215,307 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on March 7, 2016. The Company therefore has paid-up capital of Baht 528,063,065.

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On May 25, 2016, the warrant holders of DCORP-W1 exercised 3,065,900 units and the Company received Baht 9,193,793 from the issuance of 4,913,839 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on June 1, 2016. The Company therefore has paid-up capital of Baht 532,976,904.

On August 25, 2016, the warrant holders of DCORP-W1 exercised 8,912,200 units and the Company received Baht 26,725,249 from the issuance of 14,283,938 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on August 30, 2016. The Company therefore has paid-up capital of Baht 547,260,842.

On November 25, 2016, the warrant holders of DCORP-W1 exercised 1,553,000 units and the Company received Baht 4,657,020 from the issuance of 2,489,054 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on December 2, 2016. The Company therefore has paid-up capital of Baht 549,749,896.

As at December 31, 2016, the outstanding balance of unexercised warrants (DCORP-W1) was 25,454,909 units.

25. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the year adjusted for the effect of conversion of warrant to ordinary share.

| | For the years ended December 31, | | | |
|--|----------------------------------|---------|----------|---------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Diluted loss per share (Baht) | (0.155) | (1.95) | (0.158) | (1.91) |
| Weighted average number of ordinary shares | | | | |
| (Thousand shares) | 556,667 | 465,068 | 556,667 | 465,068 |

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26. Legal reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

27. Network provider license

The National Broadcasting and Telecommunications Commission (NBTC) granted licenses period August 13, 2013 - August 12, 2028.

The Company has obliged to comply with certain conditions as stated in the licenses, and to pay annual license fees, together with a fee for the Universal Service Obligation (USO) in accordance with conditions and requirements stipulated by the NBTC.

According to the Company's notification dated May 24, 2016, the Company informed NBTC regarding request for termination of the license.

For the year ended December 31, 2016, Income from network provider are as follow:

| | (Unit : Baht) | |
|------------------------------|----------------------|-------------------|
| | Income after license | Total |
| Income from network provider | 37,429,203 | 37,429,203 |
| Income from service provider | 1,991,913 | 1,991,913 |
| Total | 39,421,116 | 39,421,116 |

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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28. Financial information by segment

The Company and subsidiaries operate business on single geographic segment that is in Thailand. As revenue of other business segments is less than 10% of total revenue, there is no financial information by segment of other business segments presented in the financial statements.

Business unit segment information of the Company and subsidiaries for the years ended December 31, 2016 and 2015, are as follows:

| | (Unit : Thousand Baht) | | | |
|--|---|---------------------------------------|---|--------------------------|
| | Consolidated | | | |
| | For the year ended December 31, 2016 | | | |
| | Income from programme co-production | Income from broadcasting rights | Income from sponsorship of sport tournament | Sales income Total |
| Income | 48,914 | 51,169 | - | 93,273 |
| Cost | (18,600) | (48,733) | - | (77,080) |
| Gross profit | 30,314 | 2,436 | - | 16,193 |
| Gain on sale of investment in associate | | | | 19,805 |
| Other incomes | | | | 26,534 |
| Profit before expenses | | | | 95,282 |
| Expenses | | | | |
| Administrative expenses | | | | (108,961) |
| Provision for impairment of intangible assets | | | | (41,444) |
| Management benefit expenses | | | | (29,977) |
| Total expenses | | | | (180,383) |
| Loss before finance costs and income tax | | | | (85,101) |
| Finance costs | | | | (529) |
| Share of loss from associates | | | | (673) |
| Income tax | | | | - |
| Net loss | | | | (86,303) |

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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| | (Unit : Thousand Baht) | | | |
|--|---|---------------------------------------|---|--------------------------|
| | Consolidated | | | |
| | For the year ended December 31, 2015 | | | |
| | Income from programme co-production | Income from broadcasting rights | Income from sponsorship of sport tournament | Sales income Total |
| Income | 108,297 | 34,117 | 86,430 | - |
| Cost | (232,958) | (39,186) | (85,830) | - |
| Gross loss | (124,661) | (5,069) | 600 | - |
| Other incomes | | | | 11,171 |
| Loss before expenses | | | | (117,959) |
| Expenses | | | | |
| Administrative expenses | | | | (190,267) |
| Amortization of contract termination | | | | (51,882) |
| Compensation and (loss) contract termination | | | | (151,901) |
| Provision for impairment of intangible assets | | | | (312,443) |
| Loss from devaluation of investments | | | | (40,395) |
| Management benefit expenses | | | | (25,394) |
| Total expenses | | | | (772,282) |
| Loss before finance costs and income tax | | | | (890,241) |
| Finance costs | | | | (2,693) |
| Share of loss from associates | | | | (69) |
| Income tax | | | | (16,119) |
| Net loss | | | | (909,122) |

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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29. Acquisition of business

Aukkarawat Plant Renewable Energies company Limited

The Meeting of the Board of Directors No. 10/2016 of Demeter Corporation Public Company Limited (the “Company”) was held on December 16, 2016, The Company would like to inform that the meeting resolved to approve the investment in the biogas power plant project located in Suphanburi Province (the “Project”) as owned and operated by Aukkarawat Plant Renewable Energies Co., Ltd. (“Aukkarawat”). The investment transactions is acquisition of 25,000 ordinary shares in Aukkarawat from the existing shareholders, equivalent to 50 percent of the registered capital of Aukkarawat, at the purchase price of Baht 4,400 per share, totaling Baht 110 million. The completion of the transaction is expected to be within July 2017. The completion of the Share Acquisition Transaction will be divided into three milestone, First milestone : acquisition of 8,200 shares, representing 16.40% of Aukkarawat’s total issue shares within December 2016, Second milestone : acquisition of 8,619 shares, representing 17.24% of Aukkarawat’s total issue shares within January 2017, and third milestone : acquisition of 8,181 shares, representing 16.36% of Aukkarawat’s total issue shares within July 2017. and investment budget for power plant facility improvement and procurement and installation of machinery of up to Baht 180 million.

The new net book values of identified assets and liabilities at the acquisition date are as follows:

| | (Unit : Baht) |
|---|---------------|
| Cash and cash equivalents | 1,713,883 |
| Short-term investment | 384,736 |
| Trade accounts receivable and other receivables | 248,637 |
| Other current assets | 59,633 |
| Property and equipment - net | 20,989,916 |
| Other non-current assets | 100,000 |
| Other current liabilities | (1,690,281) |
| Net assets acquired | 21,806,524 |
| Non-controlling interests | (18,230,254) |
| Net assets acquired | 3,576,270 |
| Goodwill | 32,501,975 |
| Consideration for acquisition of subsidiary | 36,078,245 |
| Less : Cash and cash equivalents of the acquired subsidiary | (1,713,883) |
| Considerations for acquisition of subsidiary, net | 34,364,362 |

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

30. Financial instruments

30.1 Financial risk management

The Company's financial instruments, principally comprise cash and cash equivalents, trade accounts receivable, investments, and short-term loan. The financial risks associated with these financial instruments and how they are managed is described below:

Credit risk

The Company is exposed to credit risk primarily with respect to receivables from co-production of satellite television programmes and broadcasting rights. However, due to its prudent credit policy and the close follow up of debt, the Company does not anticipate material losses from its debt collection in excess of those for which provision has already been set aside. And trade-accounts receivable of co-production of satellites television programmes had made the collateral.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Company has no exposure to foreign currency risk because no significant trading transactions are denominated in foreign currencies.

30.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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31. Agreement

On May 19, 2016, the Company has signed Memorandum of Understanding, with an investor in Philippines for due diligence investigation in the 2 companies, operating solar power plant, registered under Philippines laws to purchase 40 percent of shares. On August 11, 2016, the Company has paid a deposit to lease land for the construction of solar power plant, the amount of Baht 22,398,461 to the representative or authorized person by the 2 owners of the land, included in "Other non-current assets". If the project is not approved by the shareholders of the Company, the lessors of land will return the deposit in full amount within the time specified by the Company. The payment of deposit has been approved in the amount of not exceeding Baht 50 million from the Board of Directors' Meeting No. 5/2016 held on July 13, 2016.

32. Commitments

The Company had entered into office rental agreements with a non-related company for the term of 3 years, end of November 30, 2017, to pay the fee at Baht 278,800 per month.

33. Expenses by nature

Significant expenses by nature for the years ended December 31, 2016 and 2015, are as follow:

| | (Unit : Baht) | | | |
|--|---------------|-------------|------------|-------------|
| | Consolidated | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Fee for the assignor of co-production | 17,096,907 | 232,958,063 | 9,896,907 | 224,792,040 |
| Depreciation and amortisation expenses | 55,552,539 | 161,239,803 | 52,710,860 | 158,644,485 |
| Loss on impairment of assets | 41,444,470 | 323,302,869 | 41,444,470 | 312,443,216 |
| Salaries and other employee benefits | 12,260,402 | 12,714,516 | 10,058,079 | 6,101,882 |
| Professional fees | 17,991,466 | 33,952,290 | 15,893,572 | 22,130,546 |
| Office rental and service expenses | 5,333,603 | 4,434,369 | 3,345,600 | 3,365,200 |
| Compensation and loss contract termination | - | 151,900,892 | - | 151,900,892 |
| Amortization of contract termination | - | 51,881,561 | - | 51,881,561 |
| Management benefit expenses | 29,977,196 | 25,594,250 | 26,560,917 | 20,253,963 |

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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34. Capital management

The primary objectives of the Company's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2016, debt to equity ratio in the consolidated financial statements is 0.06:1 (Separate: is 0.05:1).

35. Subsequent events

The Meeting of the Board of Directors No. 1/2017 of Demeter Corporation Public Company Limited was held on January 26, 2017. The Company would like to inform that the meeting resolved to approve the investment in the solar power plant project located in Philippines as owned and operated by Negros PH Solar Inc. (NPSI), the Company acquisition of 10,000 ordinary shares in NPSI from the existing shareholder, equivalent to 40 percent of the total issued capital of NPSI, at the total purchase price of USD 600,000, after the meeting of the shareholders has approved the transaction by the votes of not less than three-fourths of the shareholders attending the meeting and entitled to vote, and upon the follows conditions precedent under the Share Purchase Agreement have been fulfilled or waived in accordance with the terms of the Agreement within May 2017.

36. Approval of the financial statements

These financial statements have been approved by the Company's Board of Directors on February 28, 2017.

6. Auditor's Remuneration

**Accuracy and Completeness Form of the Fee paid to the auditor
for the year ended December 31, 2016**

Audit Fee

| Item | Paying Company | Name of auditor | Audit fee |
|-----------------|--------------------------|----------------------|-----------|
| 1 | Demeter Corporation PCL. | Mr.Jirote Sirirorote | 1,825,321 |
| 2 | Demeter Power Co., Ltd. | Mr.Jirote Sirirorote | 302,400 |
| 3 | Demeter ICT Co., Ltd. | Mr.Jirote Sirirorote | 30,000 |
| 4 | Demeter Capital Co., Ltd | Mr.Jirote Sirirorote | 40,000 |
| Total audit fee | | | 2,197,721 |

Non- audit Fee (none)

| Item | Paying Company | Non-audit service | Servicer | Non-audit Fee | |
|---------------------|----------------|-------------------|----------|----------------------|----------------------|
| | | | | Paid during the year | To be paid in future |
| | | | | | |
| | | | | | |
| Total non-audit fee | | | | | |

Above Information

☒ Correct and complete. I confirm that there is no other services that the company and subsidiaries has paid to me, the audit office that I'm working for, and the people or business related with me and the audit office that I know and there is no disclosure above.

☐ Not correct as follows.....

When the above information has been adjusted (if any) I confirm that all the information in this form shows the audit fee and other services that the company has given to me, the audit office that I am working for and the people or business related with me and the said audit office correctly and completely.

Sign....*Jirote Sirirorote*...

(Mr.Jirote Sirirorote)

Karin Audit Co., Ltd.

Auditor of Demeter Corporation PCL.