

INNOVATION FOR TOMORROW

Annual Report 2017

Demeter Corporation PLC.



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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 is committed to operate its business with responsibilities to the economy, society and environment. The Company has two major types of businesses: renewable energy and digital innovation. The Company has set a strategy for its renewable energy business to be the Company's stable source of revenue every year. In addition, the Company has also laid out a strategy for its digital innovation business segment to support the growth and changes of the world as well as Thailand in the future.

Last year, the Company has continued to pursue energy business, plan, procure, and implement energy saving projects for both the public and private sectors, using the expertise and knowledge of the management team and the operating team full of experts and professionals. This also applies to the renewable energy projects whether they are biomass power plants or solar power plants, the Company is always in negotiation into doing and investing in these types of businesses in the ASEAN region and in other countries.

While for the digital innovation business segment, the Company has invested in online business ventures, especially businesses involved in the development of live stream applications (Online Live Streaming Platform). Technology today is rapidly changing and therefore if we do not capitalize on the opportunity, the Company may face challenges in trying to compete with other competitors. The Company currently has a good relationship with media content provider in which the Company has made an investment with Triple CH Holdings Company Limited, which holds the live broadcasting rights of the English Premier League, UEFA Champions League and La Liga in the Philippines.

Furthermore, the Company has also made an investment in a project notably to be one of the country's largest landmark known as The Marvel Experience Thailand: Theme Entertainment Attraction ("TMX"); a digital hyper-reality entertainment. The construction of the attraction has begun in area of Mega Bangna, in which the area has plans to develop its shopping mall to become a Mega City to help promote The Marvel Experience to become a complete tourist attraction. Moreover, the project is also supported by government organizations which fulfills the Macroeconomic Policy for 2018, in terms of supporting the expansion of the tourism sector in various fields along with the distribution of income into the community.

Aligning to the vision of the company, regarding social and community responsibility, the Company remains committed and engaged in doing activities that are beneficial to society, along with continuing business operations under the ethical principles and good corporate governance.

After all, in every project management, the Company takes into account the maximum benefit of the shareholders and uses good governance as a guideline to formulate a solution strategy. On behalf of the Board of

Directors, I would like to sincerely thank the shareholders, business partners, financial institutions, related government organizations, suppliers, customers, as well as the management team and staff of the Company, who have dedicated their hard work for Company to move forward. We look forward to receiving your trust and support in the future.

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) ("the company") is a public company registered in the Stock Exchange of Thailand. The major business operations include media, innovation, and renewable energy. 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 innovation and energy businesses, viewing that electricity is a basic infrastructure with increased demand every year. While for innovation business, the company continues to develop its digital entertainment project by investing in The Marvel Experience: Theme Entertainment Attraction, which the company has a 37.5% shareholding in Hero Entertainment Co., Ltd., totaling Baht 325 million. The project is expected to open in Q2/2018 and as a result, the company's financial status will be strengthened. In addition, the company is in the process of studying new investment projects and the company is ready to make those investments, thus the cash flow is around 200 million Baht and has no debt. The company targets to engage in innovative 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 innovation and alternative energy businesses.

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 June 9, 1994, 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 % 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	<p>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).</p>
1999 to 2003	<p>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.</p>
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>

<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</p> <p>(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>

	<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 Private placement: PP 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 % 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 % 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 %. In addition, the company received the right to manage the advertisement time through 5 television channels from</p>

	<p>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 % 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>

	<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>
2017	<p>On January 21, 2017, the company received a second share transfer of 8,619 shares, representing 17.24% of the total shares of Akkrawat. The company paid the share purchase price for the transfer of the second shareholding to Thanyatorn Powerplant Co., Ltd., with the total amount of Baht 37,921,755.</p> <p>On January 26, 2017, the Board of Directors' meeting no. 1/2017 approved the investment in Negros PH Solar Inc ("NPSI"), a solar power plant project located in Bacolod City, (Negros Occidental) Philippines. The 50 MW Solar Energy Service Contract was purchased by purchasing 10,000 ordinary shares of NPSI, representing 40% of NPSI's total issued share capital from NPSI's shareholders, totaling 600,000 USD. The transaction will take place after the approval of the shareholder's meetings and after the completion of the conditions set forth in the share purchase agreement. Nonetheless, the transaction is scheduled to be completed by May 2017.</p> <p>On March 14, 2017, the company extended the deadline for the transaction because the Philippines parties stated that due to the change in policy, getting the construction permit has been delayed in which the Department of Energy, Ministry of Energy of the Philippines is responsible and has the authority to approve the permit. It is expected that the permit will be completed and ready for the company to make the investment within July 2017. However, the investment transaction depends on the approval of the shareholders' meeting, in which the company will propose to the Extraordinary General Meeting of Shareholders to consider and approve the share purchase transaction in NPSI.</p> <p>On May 3, 2017, the Board of Directors' meeting no. 4/2017 approved the entering into the conditional purchase agreement between (1) Demeter Media Co., Ltd. ("DMedia") (a subsidiary of the Company)</p>

and (2) Thai Trade Communication Co., Ltd. (Share Purchase Agreement) to set terms and conditions for the investment in the application development business and website for internet transactions which is operated by Blue Finix Digital Co., Ltd. ("Blue Finix") by purchasing shares from existing shareholders and the acquisition of Blue Finix shares ("Share Purchase") totaling no more than 74,370,000 shares. The details are as follows:

1. The purchase of 28,600 ordinary shares of Blue Finix from Thai Trade Communication Co., Ltd., ("Thai Trade"), representing 20% of Blue Finix's share capital at a price not exceeding Baht 1,726.22 per share and the total value not exceeding Baht 49,370,000.
2. Acquisition of ordinary shares of Blue Finix as Blue Finix will increased its registered capital from Baht 14,300,000 to Baht 16,350,000 by issuing 20,500 new ordinary shares with a par value of Baht 100 per share, in which this is a purchase of shares at a price higher than the par value. The company will purchase additional shares at a price not exceeding Baht 1,219.51 per share, totaling not more than Baht 25,000,000. The details of the share purchase are as follows:
 - 1) Purchase of shares at a price higher than the par value, as the company took into account the independent evaluator's assessment of Blue Finix to be valued at Baht 719,570,000 or Baht 5,031.96 per share. The acquisition of shares at a price not exceeding Baht 1,219.51 is considered reasonable and will give DMedia the expected return on investment.
 - 2) From negotiating with Blue Finix, the company has made an agreement with Blue Finix, stating that DMedia must have shares of not less than 30% from making this investment. Therefore, DMedia will acquire all of its shares from existing shareholders of Blue Finix, in which all existing shareholders of Blue Finix have waived their rights to purchase shares in proportion to their shareholding in order for DMedia to hold 49,100 ordinary shares in the Company (when combined with shares purchased from Thai Trade 28,600 shares), accounting 30% of Blue Finix's registered capital.

On June 8, 2017 DMedia received a share transfer of 28,600 shares, representing 20% of Blue Finix's registered capital. On June 19, 2017, Dmedia received a 20,500 share capital of Blue Finix as DMedia has paid (1) the share price for the transfer of shares to Thai Trade Communications Co., Ltd. Totaling 49,370,000 and (2) the share price for the capital increase of Blue Finix totaling Baht 25,000,000.

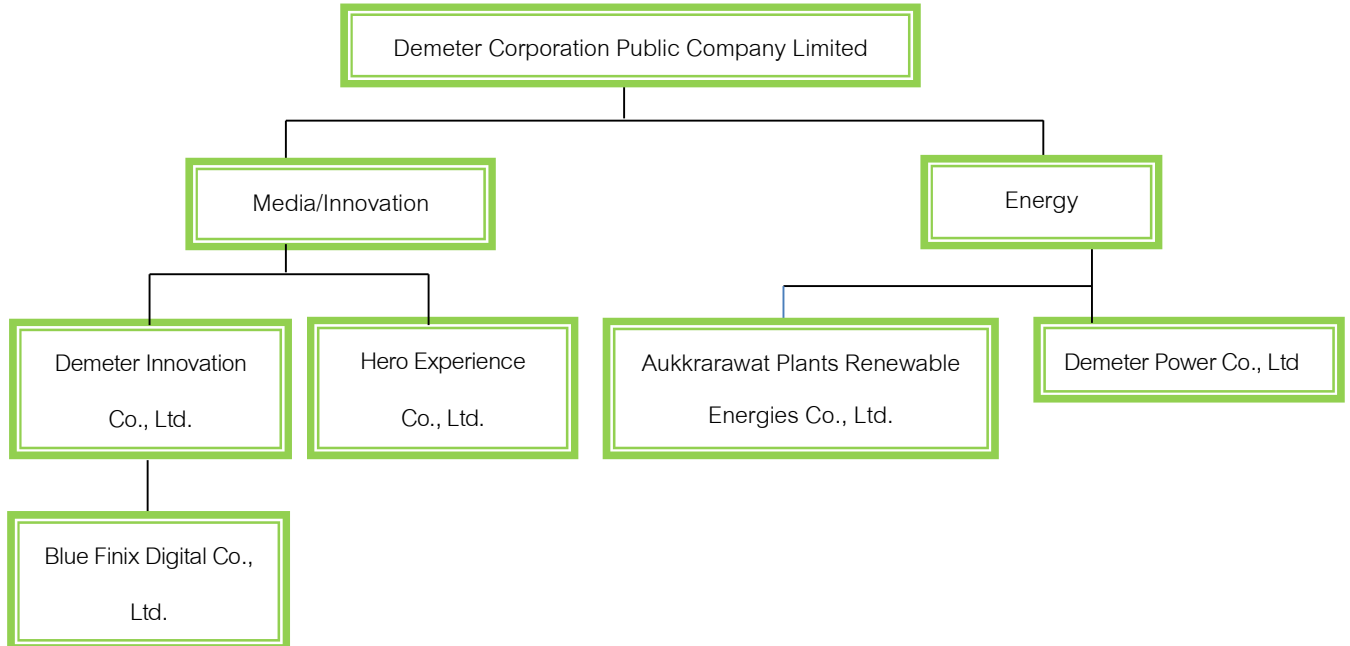
On June 15, 2017, the Board of Directors' meeting no. 3/2017 of DMedia Co.,Ltd., a subsidiary of the company approved to change the name of Demeter Media Co., Ltd. To Demeter Innovation Co., Ltd.

	<p>The name was changed at the Department of Business Development, Ministry of Commerce on June 20, 2017.</p> <p>On August 11, 2017, the company reported on the progress of getting the construction permit for NPSI project at the Philippines. The permit is still in the process of getting it approved by the Department of Energy, Ministry of Energy of the Philippines as they are reviewing the documents. NPSI expects the Ministry of Energy to complete its review of all documents by October 2017.</p> <p>On August 9, 2017, the company postponed the completion of the third trading session of 8,181 shares, representing 16.36% of Aukkrarawat's total issued shares, by October 31, 2017 as the Company and the other shareholders of Aukkrarawat is in the process of negotiating on business terms to be stated in the agreement between shareholders, in which it is a condition precedent of the transfer. The agreements that are in the process of negotiation include for instance the company management details to be approved by the Board of Directors and shareholders.</p> <p>On September 15, 2017, the Board of Directors' meeting no. 8/2017 passed a resolution approving the investment in the development of digital hyper-reality entertainment business The Marvel Experience Thailand: Theme Entertainment Attraction (TMX) in the company Hero Experience Co., Ltd. (Hero Experience). The investment was made through the acquisition of 805,264 shares of Hero Experience, representing 30% of the company's total registered capital, totaling Baht 270,000,000. Also, the company will purchase 67,106 shares from Hero Experience's existing shareholders at a price of Baht 335.29377 per share, representing 2.5% of the paid-up capital of Hero Experience at Baht 149.018 per share, totaling Baht 10 million. The total transaction of the acquisition of shares was Baht 280,000,000, accounting for 32.5% of the registered capital. The transaction is scheduled to be completed by October 31, 2017.</p> <p>On November 1, 2017, the company postponed the completion of the third trading session of 8,181 shares, representing 16.36% of the total shares of Aukkrarawat, as the Company and the other shareholders of Aukkrarawat is in the process of negotiating on business terms to be stated in the agreement between shareholders, in which it is a condition precedent of the transfer. The agreements that are in the process of negotiation include for instance the rights and duties of each shareholders. The negotiation on the stated matter and the completion of the transaction is expected to be done by November 30, 2017.</p> <p>In addition, on the same day, the company extended the deadline in making its investment in the</p>
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	<p>development of the digital hyper-reality entertainment business under The Marvel Experience Thailand: Theme Entertainment Attraction (The Marvel Experience: Theme Entertainment Attraction-TMX) project in the company Hero Experience Co., Ltd., due to the pre-conditions stipulated in the share purchase agreement is not complete. The conditions for entering into such significant transactions, include terms such as compliance with the conditions for granting intellectual property rights in the implementation of the project thus negotiation on business terms to be defined in the agreement between shareholders. It is expected that the stated conditions and the transaction will be completed by December 2017.</p> <p>On November 10, 2017, according to the preliminary expectations that the Department of Energy, Ministry of Energy of the Philippines will take time to review the documents and approve the construction permit by October 2017, the company has agreed with NPSI and signed the amendment to the share purchase agreement to extend the transaction period from July 31, 2017 to October 31, 2017, after the construction permit has been approved. However, the Ministry of Energy is still in the process of approving the construction permit due to the changes in the policy regarding the process and procedures for obtaining a permit. The company and NPSI have sent out a letter to the Ministry of Energy of the Philippines to monitor the progress of having the permit approved but no answers were given. The company was informed that there will be no time limit for approving the construction permit. Therefore, the Board of Directors has considered that in such case, where NPSI cannot fully comply with the conditions precedent, due to the disapproval of the construction permit, the results of the legal review are not satisfactory to the company as the issue of not having a construction permit has had a significant impact on the transaction. As a result, the company sees that the project should be canceled and procedures will be made for NPSI to repay the deposit of USD 600,000 or Baht approximately 21,234,000. A shareholder of NPSI has already submitted the deposit money to an Escrow Agent, in which after notifying the Escrow Agent of the breach of the terms of the Share Purchase Agreement, the company will receive a full deposit within November 30, 2017. On November 28, 2017, the company received the full deposit money of USD 600,000 from the Escrow Agent, however the company will continue to negotiate for the rest of the deposit to be refunded as soon as possible.</p> <p>On November 16, 2017, the company reported to the resolution of the Board of Directors' Meeting no. 18/2017 held on November 7, 2017, which approved the investment in Triple CH Holdings Company Limited ("Triple CH"), a company registered under the laws of Samoa, with offices in Hong Kong and</p>
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	<p>holds the rights to broadcast the English Premier League, UEFA Champions League, and the La Liga in the Philippines. The company invested in 35% of the total investment capital of Baht 30,000,000 for the football broadcasting business in the Philippines. The company entered into the Business Collaboration and Investment Agreement on November 9, 2017 to set up mutual fund terms and conditions to share the benefits of broadcasting football matches in proportion to the investment.</p> <p>On December 12, 2017, the Board of Directors' meeting no. 13/2017 approved to amend the details of the investment in the entertainment business in the form of digital hyper-reality entertainment, The Marvel Experience Thailand: Theme Entertainment Attraction under the company Hero Experience Co., Ltd. The Company completed an acquisition of 939,474 shares, representing 35% of the company's total registered share capital, totaling Baht 314,999,779.28 and the purchase of 67,106 shares from the existing shareholders, representing 2.5% of the registered capital of the company at Baht 149.018 per share, totaling Baht 10 million. The total value of investment was 1,006,580 shares, representing 37.5%, totaling Baht 324,999.779.28 and the purchase transaction was completed on December 26, 2017.</p>
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1.3 Structure of the Company's Group



The investments in subsidiaries of the company include media business, innovation business, and energy business.

Company	Business	Holding of Share Capital (%)	Shareholders and Number of Shares Held
1. Media/Innovation business - Demeter Innovation Co., Ltd.	New innovation in the media business, including digital TV on mobile phones and artificial intelligence	99	1. Demeter Corporation Public Co., Ltd. 479,998 shares 2. Ms.Kulthida Verathaworn 1 share 3. Ms.Pichaya Ruktapongpisal 1 share
			Total 480,000 shares (Value: Baht 100 per share)
- Blue Finix Digital Co., Ltd.	Website and Application Development	30	1. Artisen Hong Kong Limited 50,050 shares 2. Demeter Innovation Co., Ltd. 49,100 shares 3. Mr. Surasak Areesawangkit 17,160 shares 4. Mr. Sirasongwit Jiratanasophon 17,160 shares 5. Mr. Wiwat Wongwarawipat 10,010 shares 6. Mr. Paisit Wajnapakorn 10,010 shares 7. Mr. Nitiphat Panichchaivat 7,150 shares 8. Mr. Somyot Chairat 2,860 shares
			Total 163,500 shares (Value: Baht 100 per share)
- Hero Experience Co., Ltd.	Theme Entertainment Attraction	37.5	1. Demeter Corporation Public Co., Ltd. 1,006,580 shares 2. Mr. Surakiat Thienthong 389,211 shares 3. Mr. Anurak Thienthong 201,316 shares 4. Mr. Surachart Thienthong 201,315 shares 5. Mr. Vich Waitoonkiat 187,895 shares 6. Mr. Kovit Jirachananont 147,632 shares 7. Mr. Niti Nuengchamnong 134,211 shares 8. Mrs. Sunattha Bodhinbhakdikul 127,500 shares

Company	Business	Holding of Share Capital (%)	Shareholders and Number of Shares Held
			9. Mr. Noppadol Jason Jirasant 100,658 shares 10. Mr. Suchai Leerapan 53,684 shares 11. Ms. Kamolchanok Nuengchamnong 26,842 shares 12. Mr. Akkawut Nuengchamnong 26,842 shares 13. Mr. Tanat Busayapoka 26,842 shares 14. Mr. Kochapong Leerapan 26,842 shares 15. Mr. Korakij Leerapan 26,842 shares
			Total 2,684,212 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. 3,499,998 shares 2. Ms. Kulthida Verathaworn 1 share 3. Ms. Pichaya Ruktapongpisal 1 share
			Total 3,500,000 shares (Value: Baht 10 per share)
4. Aukkrarawat Plants Renewable Energies Co., Ltd.	The company operates a biogas power plant.	33.64	1. Demeter Corporation Public Company Limited 16,819 shares 2. Tanayatorn Power Plant Co., Ltd. 8,181 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)
- English Premier League (Premier League), UEFA Champions League and La Liga in the Philippines

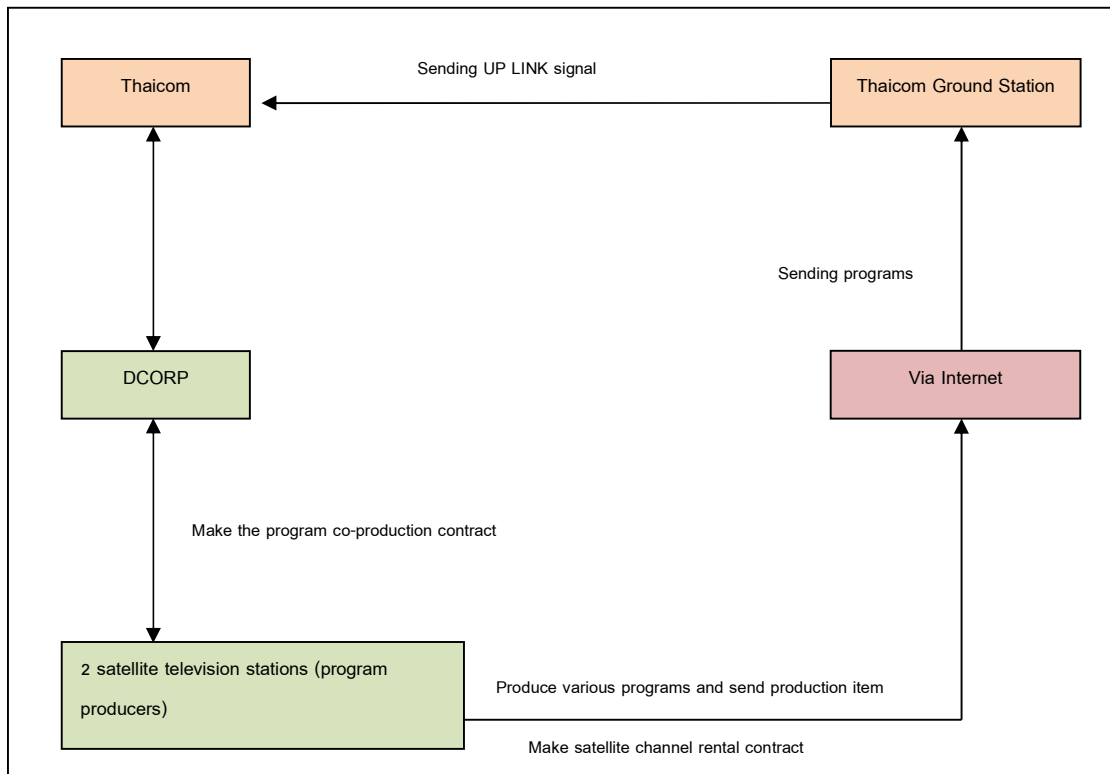
2.3 Movies and series

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.

Detailed map of the Company's Satellite TV Business:



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 Music	B1-S21040-0113-57 25 Aug 15 -24 Aug 17	Variety	First Group Co., Ltd.	-
2	N-EXT Wanwan	B1-S21040-0115-57 25 Aug 15 – 24 Aug 17	Variety	First Group Co., Ltd.	-

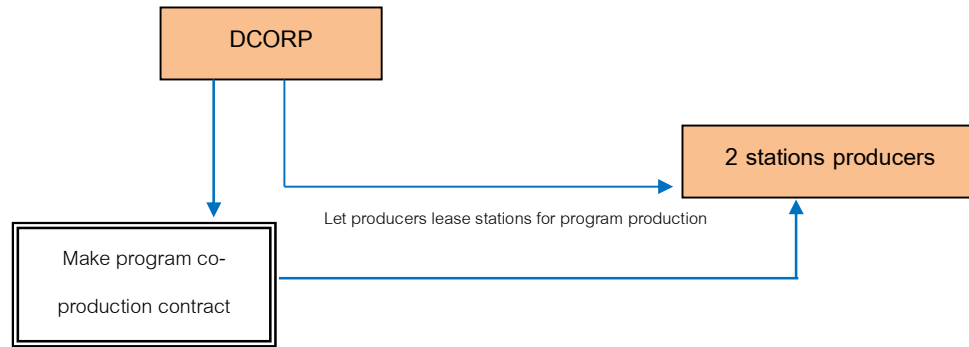
Notes - The company signed a co-production contract with First Group Co., Ltd. on October 1, 2016, using all 2 television licenses for a period from October 1, 2016. The return after all expenses is 10% allocated to the company and 90% to First Group Co., Ltd.

Details of the Contract

Program co-production contract between the company and 2 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 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 Chart of Related People:



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 Eredivisie. 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.

Live Broadcast of the English Premier League, UEFA Champions League, and La Liga in the Philippines

On November 7, 2017, the company has approved a joint investment with Triple CH Holdings Co., Ltd. (“Triple CH”), a company incorporated under the laws of Samoa and has offices in Hong Kong and holds the rights to live broadcast the English Premier League, UEFA Champions League, and La Liga in the Philippines. The company made a 35% joint venture investment, totaling Baht 30,000,000 to conduct live football events in the

Philippines. The company entered into the business collaboration and investment agreement on November 9, 2017 to set up mutual fund terms and conditions and to share the benefits of broadcasting football matches in according to the proportion of the investment.

The company will receive a share of profit from the joint investment of 35%, which is the share of revenue from live broadcast of football matches. After subtracting the cost of broadcasting, Triple CH has a guaranteed operating agreement for a period of 18 months from December 1, 2017, and that the revenue the company will receive will not be lower than the investment made by the company to broadcast live football matches.

Triple CH's main responsibilities are to lay out a business strategy for the project, manage a system for the project, and allocate a budget for the project in order to obtain the rights to broadcast the three-big football league/tournament (phase 1). While the company is responsible for funding some working capital for Triple CH.

The current project status is that the company has entered into the business collaboration and investment agreement and has already paid Baht 20 million in November 2017 and a press conference was launched. The live football program was broadcasted on November 23, 2017 on ABS-CBN television station, which is currently the most popular TV station in the Philippines. The company expects to recognize revenue immediately in the first quarter of the 2018 financial statements.

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 2017		Year 2016		Year 2015	
	Million baht	%	Million baht	%	Million baht	%
1. Income from co-production	27.00	45.72	48.91	20.41	108.30	45.12
2. Income from broadcasting right	16.71	28.29	51.17	21.35	34.12	14.22
3. Income from sponsorship of sport tournament	-	-	-	-	86.43	36.01
4. Income from sale	0.01	0.02	93.27	38.91	-	-
5. Other incomes	12.34	25.97	46.34	19.33	11.17	4.65
Total income	59.06	100.00	239.69	100.00	240.02	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) 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 MTV. 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.

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 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 2 stations according to the contract that the company has made, 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.

3.1.3 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.

3.1.4 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.

3.1.5 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.

3.2 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 % 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 35,000,000 (3,500,000 common shares at par value of Baht 10 per share)

Paid-up capital: Baht 35,000,000 (3,500,000 common shares at par value of Baht 10 per share)

Shareholders' name list as at December 31, 2017

No.	Name	No. of Shares	Holding of Capital (%)
1	Demeter Corporation Public Company Limited	3,499,998	99.99998
2	Ms.Kulthida Verathaworn	1	0.00001
3	Ms.Pichaya Ruktapongpisal	1	0.00001
Total		3,500,000	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 % of the total energy consumption in 2021.

In addition, the company is also interested in investing in Energy Service Company (ESCO), a business that provides energy conservation services and/or renewable energy services. The service will consist of providing consultation, proposing new projects, project management, engineering design, energy analysis, equipment installation, operate in energy conservation and/or alternative energy projects and funding sources for energy projects, and etc. ESCO services must have a performance guarantee agreement as well as a measurement process to evaluate on the performances. This is considered a very important part of the business in order to gain full confidence from the clients, thus technical risks of the energy projects are to be fully guaranteed by ESCO throughout the term of service contract.

Demeter Power Co., Ltd is a company operating in electricity and energy businesses and providing services on renewable energy projects. The company is currently engaged in the ESCO energy management business and the company is currently under preparation in providing an integrated service to customers, taking into consideration the capabilities that the company has to offer. The details are as follows:

- The ability to finance all project costs
- The ability to make a complete energy audit
- Provide integrated services including measurement, engineering design, project management, commissioning, energy management (including Q & M) of equipment and technology, and training.
- Can provide insurance for the work by monitoring and proving energy savings measurements
- Can provide advice, support and financing services for the project

Nonetheless, the company currently has no revenue from conducting this business.

Income Structure

Type of Income	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
- Demeter Power Co., Ltd.						
1. Income	0.00	0.00	0.00	0.00	0.00	0.00
2. Other income	2.42	100.00	21.16	100.00	0.31	100.00
Total revenue	2.42	100.00	21.16	100.00	0.31	100.00

Risk factors of Demeter Power

- (1) The lack of understanding and appreciation of the importance and benefits of energy management for the service recipient is one thing to keep in mind. Energy management is like investing for long-term returns; besides saving energy it also has other benefits in terms of performance, a better-established environment. If the service recipient has no understanding about the importance and benefits of energy management, they may not pay attention and think it is not worth the investment. However, the company has set up a marketing team to work alongside with the engineering team in order to help service recipients understand and appreciate the benefits of energy management.
- (2) There are generally 3 types of energy contract forms, each of which is subject to the risk and what ESCO is responsible for:
 - 2.1. Guaranteed Saving is a form of service where ESCO guarantees the performance of the energy conservation program, alongside with providing an energy contract between the service recipient and ESCO in guaranteeing them the net benefits of the project. If the net benefit of the project is actually lower than the net benefit specified other wise in the contract, then ESCO will compensate the difference to the service recipient.
 - 2.2. Shared Saving is a form of service where ESCO acts as an investor and will be responsible for the risks from the investment made. The net benefits will then be divided between ESCO and the service recipient according to the agreement in the energy contract.
 - 2.3. Other forms such as Guaranteed Rebate/Chauffage is where ESCO or the service recipient makes the investment and ESCO will guarantee the production of energy at the agreed price to the service recipient. ESCO will install the power supply and will be responsible for the power supply system throughout the contract period. Service recipients are responsible for paying the energy bill according to the agreement.

Considering the summary above, technical risks can be mitigated by being more cautious and giving more importance in energy assessment, engineering analysis and design, selection of the type and size of technology, and project management (not just the performance guarantee).

- (3) Risk responsibility in energy efficiency/equipment includes warranty for maintenance and spare parts. This is important to the company due to some establishments have 24-hour operations if problems or defects occur thus if there is no suitable backup plan, this will result in costs and damages. Therefore, the company must have a plan to do an Autonomous Maintenance and Preventive Maintenance (AM & PM) in advance and strictly follow the plan.

2. Demeter Innovation Co., Ltd. (D INNOVA)

The company operates under the philosophy to work creatively, intently and to select qualified items to delight consumers continuously. Previously the company had operated in satellite television businesses but later due to the economic slowdown, the company had to stop doing the business in 2016 because it is not worth the investment.

General Information

Company's name:	Demeter Innovation Co., Ltd.
Address:	191/43 CTI Tower 21 st 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	Ms.Kulthida Verathaworn	1	0.02
3	Ms.Pichaya Ruktapongpisal	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 Media Co, Ltd. And on June 20, 2017 Demeter Media Co, Ltd. has changed the name to Demeter Innovation Co., Ltd. for suitability of the business.

In April 2016, after the business license expired, the company ceased its operation because it is not worth the investment. However, the company is still interested in investing new innovations relating to media, as a result Demeter Innovation Co., Ltd. has invested in Blue Finix Digital Co., Ltd, a company that is involved in the development of online live streaming applications (Online Live Streaming Platform) with a proportion of 30% of the total registered shares. Currently, the application was made available in the third quarter providing full version for both IOS and Android system for mobile phones as well as computer. In addition, a launch event for the application was held at Show DC Rama 9.

Currently, the revenue has been recognized since June 2016. The Blue Finix's financial statements for the year 2017 (audited) had a revenue of Baht 9.61 million and expenses were Baht 25.69 million, resulting in a loss of Baht 16.08 million. The main revenue comes from the sale of gifts to Angel on Duty and Finix TV (currently Angel on Duty and Finix have merged to be on the same platform). While the income from Social Portal Media Platform has not occurred in which according to the plan, the revenue will be recognized within the first quarter of 2018.

Income Structure

Type of Income	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
- Demeter Innovation Co., Ltd.						
1. Income	7.44	70.66	7.44	57.36	6.27	67.93
2. Other income	3.09	29.34	5.53	42.64	2.96	32.07
Total income	10.53	100.00	12.97	100.00	9.23	100.00

Risk Factors of Demeter Innovation Co., Ltd.

Risk from major shareholders' influence on the policy and management of the corporate group

Demeter Innovation Co., Ltd. is only a minor shareholder of Demeter Corporation Public Co., Ltd. holding only 30.03% of the registered capital; as a result the majority of the votes in the shareholders' meeting cannot be controlled. Therefore, it may not be possible to gather the votes to check and balance the matters proposed by the major shareholders. In addition, the major shareholders are also authorized to manage the corporate group by having 4 directors out of the total 8, and 1 director chosen from the shareholders. The company has appointed 3 directors to oversee the management and benefit of the company as well as the benefits of the minority shareholders.

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	16,819	33.64
2	Tanayatorn Power Plant Co., Ltd.	8,181	16.36
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 Tanayatom Power Plant Co., Ltd. In addition, on January 12, 2017, the company received the second share transfer of 8,169 shares, representing 17.24% of Akkrawat's total shares. The company has paid the share purchase price for the second transfer to Tanayatom Power Plant Co., Ltd. for a total of Baht 37,921,755. However, for the third transfer of shares to happen by July 2017, the company has not yet entered into the transaction.

From the Board of Directors' meeting no. 2/2018 held on February 27, 2018, the Board of Directors has considered additional facts and the study results of the changed cost structure. It was found that the continuation of the project on the basis of the existing guidelines could result in offering no benefit to the company and the shareholders who have approved the investment. Therefore, the management team has conducted studies to find solutions to minimize the effects of this project. The company has proposed solutions and discovered important issues from the study of such solutions. The details are as follows:

(1) **Study on the cost of wastewater treatment from biogas fermentation**

Due to the feasibility study of investment before the company decides to invest, the company has been informed that the communities in the surrounding area of the project (within a radius of approximately 20 km) will receive the wastewater from the project to irrigate agricultural area of the community. But while Akkrawat has been working on improving the project area, it was found that the neighboring communities around project materially retrieve less waste water from the project. Based on the inspection, it was found that (1) there are new power plant projects in the area and the neighboring community which could retrieve waste water from Akkrawat may consider retrieving water from such new projects if it takes less transportation time for them, and (2) the neighboring community receives waste water from similar power plants located in the same area, some of which transport their waste water to the community. Therefore, it is not necessary for the community to retrieve the waste water directly from the project.

According to the studies, it has been found that if Akkrawat has to support the cost of transporting the wastewater to the community area, the project will have a significantly reduced commercial feasibility as Akkrawat also has to pay for the transportation of raw materials (molasses) from Biofuel Mitr Phol factory in Dan Chang district. At present, there is a distance approximately 45 km and the transportation of waste water to the community area also causes the cost of the project to increase significantly by about 30%.

(2) Feasibility study of relocation of the project to reduce the distance of transporting raw materials (molasses) from Biofuel Mitr Phol factory in Dan Chang district

The results of the study on transportation cost structure in depth (1) and (2) showed that the company still has relatively high practical limitations. The company then proceeded to study the feasibility of relocating Akkrarawat power plant in order to reduce the distance of transporting raw materials, which is a fixed cost.

Currently, the distance used to transport raw materials is approximately 45 km. From exploring areas where we can increase commercial possibilities, based on the location of the project we found that two of the most commercially feasible areas are located north of the current site and is adjacent to Nong Ya Sa area. This is the area closest to the source of raw materials and is away from any residential community (the area is mainly sugarcane and vegetable garden).

The company has explored 2 potential areas for relocating the power plant with a total distance of 28.7 km, thus we have surveyed a shortcut which the total distance comes down to approximately 23.9 km. The details of the exploration are as follows:

- a) Area 1 is an area with an electrical transmission line but the transmission line size is small (can change to a larger size transmission line). The area is mostly sugarcane and vegetable garden and is away from any residential community (there are few houses), therefore it is a potential area for setting up a power plant.
- b) Area 2 is an area where electricity transmission lines are not available and the area is an open space. By considering the possibilities the area has potential for setting up a power plant, however it is necessary to invest in the construction of additional transmission lines from the existing ones and to improve the entrance area to allow large trucks to enter the area.
- c) The shortcut path is unlikely to work because the roads are dirt road and there are a lot of holes and cracks, which will result in water splashing out of the transport vehicle. The route is likely to have more cracks and holes during the rainy season.

As a result, the most likely approach based on the study of the feasibility of relocating Akkrarawat to reduce the distance of transporting raw material is to relocate the project to either area 1 or 2. This is because based on the results of evaluation of the distance of transporting raw material (molasse) from Biofuel Mitr Phol Factory at Dan Chang district, the distance is approximately 28.7 km.

(3) Feasibility study for installation of wastewater treatment system

The cost analysis of waste water installation is 40-60 Baht per ton and this will affect the cost structure and return on the project.

(4) Feasibility study on contract termination

Terms or agreements with the parties and the fulfillment of the terms of payment for the remaining shares, or the third share transfer of 16.36% of the total shares or approximately Baht 36 million, the company has sought the opinion of the legal advisor from Kudan and Partners Co., Ltd. and the details are as follows:

According to the share purchase agreement between the company and Akkrarawat, there is an agreement on the settlement of stock prices, payment conditions, and cancellation of the contract as follows

Conditions precedent only in the case that the third share purchase transfer is complete

- Buyers and sellers entered into agreements between shareholders according to the conditions that both parties have agreed.

The breach of contract resulting in the termination of the contract

The parties may exercise their rights if any of the parties fails to perform any of their duties on the date of completion of the transaction (1st or 2nd or 3rd, as the case may be). The other party has the rights to do any of the following:

- (1) The right to terminate the agreement immediately without prejudice to the right to claim damages against the other party.
- (2) May exercise or waive any rights to complete the transaction and can continue to complete the transaction on the day of completion or
- (3) May appoint a new date for the transaction to be completed in which it must not exceed 5 business days from the initial date set for the transaction to be completed. Each party is obliged to comply and make transaction based on the new date that is set for it to be complete. The postponement of the transaction date can only be moved once unless the parties agree otherwise.

The company has agreed to extend the transaction period of the third transaction to be by November 30, 2017 to agree on the management of the company with the seller. As of now, the company and the seller of the shares are unable to comply with the conditions precedent of the third trading of shares due to certain issues cannot be settled. As a result, the company has not yet entered into the transaction for the third time. In addition, if the third transaction cannot be

traded due to ineligible conditions, the parties may consider terminating the contract and demand the other party to pay the damages caused (if any) between the parties.

Therefore, the Board of Directors has considered the matter and have agreed that to continue to implement the project, based on the existing guidelines or the solutions proposed in (1) and (3), this may cause the company and the shareholders to not receive the benefits according to what they have approved to make the investment. The final verdict is to cancel the investment or to sell the project, in which the company will continue to seek for investors who may be interested in the project.

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.

Business Operation of Associates

1. Blue Finix Digital Co., Ltd.

General information

Head office address : 415,415/11 3rd Floor, Soi Ladprao 122 (Mahadthai 1), Plabpla
Sub-district, Wanthonglang District, Bangkok 10310

Registered capital : Baht 16,350,000

Paid-up capital : Baht 11,700,000

Par value : Baht 100 per share

List of Shareholders, as of December 31, 2017

No.	Name	Number of Shares Held	Shareholding Proportion (%)
1	Artisen Hong Kong Limited	50,050	30.61
2	Demeter Innovation Co., Ltd.	49,100	30.03
3	Mr. Surasak Areesawangkit	17,160	10.50
4	Mr. Sirasongwit Jiratanasophon	17,160	10.50
5	Mr. Wiwat Wongwarawipat	10,010	6.12
6	Mr. Suvit Vatjanapagorn	10,010	6.12
7	Mr. Nitiphat Panichchaivivat	7,150	4.37
8	Mr. Somyot Chairat	2,860	1.75
Total		163,500	100.00

Details of Business Operation

Blue Finix Digital Co., Ltd. ("Blue Finix") is involved in the development of online live streaming platforms. The platform is available on every mobile operating system whether it is an IOS or Android system, as well as for computers; the use of all systems is connected to each other. The current major application is Finix TV.

Finix TV is an online live streaming system for anyone which they can register to broadcast their own shows. The system was commercially launched in June 2017 and was broadcasted live. There are 350 people running their own shows, each having a lot of followers on their social network accounts, such as there is a total of 6 million followers on Facebook and 8 million followers on Instagram.

Progress of the Project

Demeter Innovation Co., Ltd. has invested in Blue Finix Digital Co., Ltd, a company that is involved in the development of online live streaming applications (Online Live Streaming Platform) with a proportion of 30% of the

total registered shares. Currently, the application was made available in the third quarter providing full version for both IOS and Android system for mobile phones as well as computer. In addition, a launch event for the application was held at Show DC Rama 9.

Currently, the revenue has been recognized since June 2016. The Blue Finix's financial statements for the year 2017 (audited) had a revenue of Baht 9.61 million and expenses were Baht 25.69 million, resulting in a loss of Baht 16.08 million. The main revenue comes from the sale of gifts to Angel on Duty and Finix TV (currently Angel on Duty and Finix have merged to be on the same platform). While the income from Social Portal Media Platform has not occurred in which according to the plan, the revenue will be recognized within the first quarter of 2018.

After Blue Finix's success in August 2017, the official press conference was held and there were celebrities attended such press conference, e.g. Professor Kata Chinnabanchon, Seksan Sukpimai, Kon-bai- kraikriad crew members and Miss Supranational. The Company has given support and helped with the coordination. Later, executives of Blue Finix saw the opportunity to be an alliance with Electronics Extreme Co., Ltd., an importer of online games, to jointly use resources to achieve the best business benefits, including the proposal of work expansion plan to the leading media business group in the Republic of Vietnam in October 2017.

Nevertheless, Blue Finix was not able to increase the number of customers to achieve the revenue targeted. The Company considered that such effect may result from the lack of strategic planning and marketing operational plan. Especially, there was a lack of budget allocation and prioritizing, which adversely affect the determination of budget allocation for each marketing tools. Moreover, the current economic circumstances have not positively encourage the operation as anticipated. Therefore, the Company proposed, in the Board of Directors' meeting of Blue Finix on 7 November 2017, that the executive board of Blue Finix should prepare clear quarterly action plan, budget plan, and expenditure plan and propose the drafts to the Board of Directors of the Company for consideration within 14 November 2017. In this regard, the Company has not received the plan.

Risk Factors of Blue Finix Digital Co., Ltd.

Risks from changes in legal requirements and regulatory criteria from the government

Currently, the online live broadcasting business in Thailand is supervised by the Ministry of Culture and Ministry of Information and Communication Technology. The Ministry of Culture will review all the content of the service. The Ministry of Information and Communication Technology and Ministry of Commerce have published the computer-related offense act 2007 to regulate and prevent computer offenses, although the controlling of online service business in Thailand is not very strict as the government does not block online gaming business in any way. There may be changes or new regulatory measures to control online live content which this may affect business, financial status and performance of the corporate group in the future.

Risks of competition and the rise of new online service providers

Nowadays, the competition in the online service business in Thailand and abroad has become more intense due to the increasing numbers of new service providers in the market. We can expect the market to increase as the numbers of service providers in each country and foreign service providers who are competing with domestic service providers are increasing significantly, this is due to the growth of the market and how this business is considered to be a high margin business.

Risk from major shareholders' influence on the policy and management of the corporate group

Demeter Innovation Co., Ltd. is only a minor shareholder of Demeter Corporation Public Co., Ltd. holding only 30.03% of the registered capital; as a result the majority of the votes in the shareholders' meeting cannot be controlled. Therefore, it may not be possible to gather the votes to check and balance the matters proposed by the major shareholders. In addition, the major shareholders are also authorized to manage the corporate group by having 4 directors out of the total 8, and 1 director chosen from the shareholders. The company has appointed 3 directors to oversee the management and benefit of the company as well as the benefits of the minority shareholders.

2. Hero Experience Co., Ltd.

General information

Head office address : 48/27 Soi Rungrueng, Ratchadapisek Road, Sam Sen Nork
Sub-district, Huai Khwang District, Bangkok 10310

Registered capital : Baht 268,421,200

Paid-up capital : Baht 268,421,200

Par value : Baht 100 per share

List of Shareholders, as of December 31, 2017

No.	Name	Number of Shares Held	Shareholding Proportion (%)
1	Demeter Corporation Public Co., Ltd.	1,006,580	37.50
2	Mr. Surakiat Thienthong	389,211	14.50
3	Mr. Surachart Thienthong	201,315	7.50
4	Mr. Anurak Thienthong	201,316	7.50
5	Mr. Vich Waitoonkiat	187,895	7.00
6	Mr. Kovit Jirachananont	147,632	5.50
7	Mr. Niti Nuengchamnong	134,211	5.00

No.	Name	Number of Shares Held	Shareholding Proportion (%)
8	Mrs. Sunattha Bodhinbhakdikul	127,500	4.75
9	Mr. Noppadol Jason Jirasant	100,658	3.75
10	Mr. Suchai Leerapan	53,684	2.00
11	Mr. Kochapong Leerapan	26,842	1.00
12	Ms. Kamolchanok Nuengchamnong	26,842	1.00
13	Mr. Korakij Leerapan	26,842	1.00
14	Mr. Tanat Busayapoka	26,842	1.00
15	Mr. Akkawut Nuengchamnong	26,842	1.00
Total		2,684,212	100.00

Details of Business Operation

Hero Experience Co., Ltd. ("HE") is a company that develops digital entertainment, The Marvel Experience: Theme Entertainment Attraction ("TMX"), alongside with Hero Venture International LLC ("HV") from the United States in order to be licensed to develop this project. The digital entertainment comes in the form of digital hyper-reality where visitors can become a part or an agent of S.H.I.E.L.D. and work alongside over 20 characters under Marvel such as Captain America, Iron Man, Spider Man, Black widow, Wolverine and the Hulk, etc. The attraction will be located at MEGA Bangna and is expected to be opened by May 2018.

The rights of the Marvel characters are passed on to HE from HV International LLC ("HVI"), a subsidiary of HV, a direct licensee of the Marvel characters B.V. ("Marvel"). HE entered into a joint venture agreement with HVI to acquire this right. The theme attraction comes in the form of digital hyper-reality where there will be 7 different domes and each dome has its own activity or attraction. Visitors must purchase passes to enter and according to the plan visitors will spend an average of 8 minutes in each dome and spanning across an area of 12,395 square meters, which can accommodate up to 10,950 tourists per day.

In carrying on TMX Business, core revenues will be generated in 4 categories:

1. Revenue from ticket sales
2. Revenue from toys and souvenir
3. Revenue from food and beverages
4. Revenue from sponsorship and other barter systems

Progress of the Project

At the Board of the Director's meeting no. 13/2017 on December 12, 2017, the Board of Directors approved the investment in the development of digital hyper-reality entertainment business The Marvel Experience Thailand: Theme Entertainment Attraction ("TMX") under Hero Experience Co., Ltd. by acquiring

shares from Hero Experience and purchase of shares from existing shareholders. The company holds shares in Hero Experience according to the details as follows:

1. Acquisition of 939,747 shares in Hero Experience, or 35% of the company, Baht 335.29377 per share, totaling Baht 314,999,779.28.
2. Acquisition of 67,105 shares from HE's existing shareholder Travel Channel Agency Co., Ltd., representing 2.5% of the company's paid-up capital after the capital increase at Baht 149.02 per share, totaling to Baht 10 million.

Accounted for 37.5% of the registered capital with a total value of transaction of Baht 324,999,779.28 in which Hero Experience has used the capital to invest in construction and equipment for the TMX project, which is expected to be completed and opened by May 2018.

Risks Factors of Hero Experience Co., Ltd

Risks from delays in construction

According to the agreement, TMX is scheduled to open in May 2018. The construction of the project began on September 1, 2017, and base on the plan a test run would occur in April 2018 and the attraction would be fully operating to the public by May 2018.

The risk of renewing the license of Marvel characters in the next 3 years

Since the joint venture agreement between HE and HVI is only for three years for the first period and renewing the license in the next 3 years is subject to Marvel's consent. However, the license will automatically be renewed if HE has a satisfactory business performance.

Risks from decreasing popularity of the Marvel brand

Due to TMX uses Marvel characters to create the attraction, one of the risks that might occur is if the popularity of the Marvel brand decreases.

Risks from major shareholders' influence on the policy and management of the corporate group

Demeter Corporation Public Co., Ltd is only a minor shareholder of Hero Experience Co., Ltd. holding only 37.50% of the registered capital; as a result, the majority of the votes in the shareholders' meeting cannot be controlled. Therefore, it may not be possible to gather the votes to check and balance the matters proposed by the major shareholders. In addition, the major shareholders are also authorized to manage the corporate group by having 6 directors out of the total 9. The company has appointed 3 directors to oversee the management and benefit of the company as well as the benefits of the minority shareholders.

4. Stock Information and Shareholders

4.1 Registered and Paid-up Capital

As at December 31, 2017, the company has registered capital of Baht 590,547,570 and the paid-up capital of Baht 587,407,772, 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 27, 2017 are as followings:

No.	Name List	Number of Shares Held	Shareholding Proportion (%)
1	Mr. Boonchai Kasemvilas	57,877,300	9.342
2	Mr. Utaipan Jirakulpongton	42,348,700	7.209
3	Ms.Sunun Gnamakkarakul	25,315,000	4.310
4	Mr. Chotiphun Tiaviwat	25,000,000	4.256
5	Ms. Sriwan Ruktapongpisal	21,920,600	3.732
6	UOB KAY HIAN PRIVATE LIMITED	20,000,000	3.405
7	Mr. Nathaphol Kasemvilas	18,878,008	3.214
8	Ms.Nalinpas Kittisureethorn	15,554,800	2.648
9	Thai NVDR Co., Ltd.	14,253,740	2.427
10	Mr,Mongkol Prakitchaiwattana	13,570,097	2.310
Total		251,718,245	42.853

The number of minority shareholders is 3,128 or 31.35%.

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 27, 2017

The company has foreign shareholders in the amount of 7 people holding the total of 20,774,000 shares (with the par value of Baht 1 per share) or 3.54% of the registered capital.

(2) Shareholding in subsidiaries

: Demeter Innovation Co., Ltd.

Shareholders' name list as at December 31, 2017

No.	Name	No. of shares	Holding of capital (%)
1	Demeter Corporation Public Company Limited	479,998	99.9996
2	Ms.Kulthida Verathaworn	1	0.0002
3	Ms.Pichaya Ruktapongpisal	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, 2017

No.	Name	No. of shares	Holding of capital (%)
1	Demeter Corporation Public Company Limited	3,499,998	99.99998
2	Ms.Kulthida Verathaworn	1	0.00003
3	Ms.Pichaya Ruktapongpisal	1	0.00003
Total		3,500,000	100.00000

(Par value: Baht 100 per share)

: Aukkrarawat Crop Rotation Energy Co., Ltd.

Shareholders' name list as at December 31, 2017

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	8,181	16.36
6	Demeter Corporation Public Company Limited	16,819	33.64
Total		50,000	100.00

(Par value of Baht 100 per share)

(3) Shareholding in associates

: Blue Finix Digital Co., Ltd.

Shareholders' name list as at December 31, 2017

No.	Name	Number of Shares Held	Shareholding Proportion (%)
1	Artisen Hong Kong Limited	50,050	30.61
2	Demeter Innovation Co., Ltd.	49,100	30.03
3	Mr. Surasak Areesawangkit	17,160	10.50
4	Mr. Sirasongwit Jiratanasophin	17,160	10.50
5	Mr. Wiwat Wongwarawipat	10,010	6.12
6	Mr. Suvit Vatjanapagorn	10,010	6.12
7	Mr. Nitiphat Panichchaivivat	7,150	4.37
8	Mr. Somyot Chairat	2,860	1.75
Total		163,500	100.00

(Par value of Baht 100 per share)

: Hero Experience Co., Ltd.

Shareholders' name list as at December 31, 2017

No.	Name	Number of Shares Held	Shareholding Proportion (%)
1	Demeter Corporation Public Co., Ltd.	1,006,580	37.50
2	Mr. Surakiat Thienthong	389,211	14.50
3	Mr. Surachart Thienthong	201,315	7.50
4	Mr. Anurak Thienthong	201,316	7.50
5	Mr. Vich Waitoonkiat	187,895	7.00
6	Mr. Kovit Jirachananont	147,632	5.50
7	Mr. Niti Nuengchamnong	134,211	5.00
8	Mrs. Sunattha Bodhinbhakdikul	127,500	4.75
9	Mr. Noppadol Jason Jirasant	100,658	3.75
10	Mr. Suchai Leerapan	53,684	2.00
11	Mr. Kochapong Leerapan	26,842	1.00
12	Ms. Kamolchanok Nuengchamnong	26,842	1.00
13	Mr. Korakij Leerapan	26,842	1.00
14	Mr. Tanat Busayapoka	26,842	1.00
15	Mr. Akkawut Nuengchamnong	26,842	1.00
Total		2,684,212	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 of May 8, 2017, the outstanding balance of unexercised warrants was 1,958,934 units and the ordinary share reserved for the exercise was 3,139,798 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 587,407,772 shares, par value of Baht 1.00 per share, total of Baht 587,407,772

Secondary Market Mai

Number of staff As of December 31, 2017, 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	Mr. Jetsada Hungsapruet	CPA Registration No. 3759	Karin Audit Co., Ltd.
2	Ms. Kannika Wipaturat	CPA Registration No. 7305	Karin Audit Co., Ltd
3	Mr. Jirote Sirirorote	CPA Registration No. 5113	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 and Responsibilities

The duties and responsibilities of the Board of Directors are in accordance to the law, the Company's objectives, Memorandum of Association and the Articles of Association of the Company. In addition, the Board of Directors are also responsible for the following actions:

- A) To set policies, strategies and financial targets of the Company, and to approve the policy and direction of the management, thus responsible for overseeing and monitoring the management to ensure that they comply with such policies, strategies and financial targets. The goal is to increase economic value and wealth to shareholders. All interested parties will be considered.
- B) Lay out and define procedures to ensure operations within the Company complies with the Board of Director's Regulations, Shareholder's Resolutions, and Ethical Standards. All of this should be done in good faith and with caution.
- C) Lay down the structure and procedures to ensure there is a risk management system, supervision and investigation, and appropriate internal controls.
- D) Monitor and evaluate the performance of the managements being done to ensure that they are achieved according to the strategy as well as being under the budget that has been approved by the Board of Directors.
- E) Set the criteria and evaluate the performance of the Chief Executive Officer and Senior Managers at least once a year.
- F) To maintain accounts, to keep accounts and related documents, and to disclose appropriate information to shareholders.
- G) Review the succession plan of the Chief Executive Officer and Senior Managers on a regular basis.
- H) Supervision and operation are adhered to the ethics of the directors.
- I) Set Corporate Governance and Social Responsibility Policy.

- Component and appointment

* Components consist of

- 5 independent directors
- 5 directors:
 - 4 Executive Directors
 - 1 Non-Executive Director

By having - Chairman of Board of Directors

Mr. Suthep Liumsirijareern

- Chief Executive Officer

Mr. Teerawit Charuwat

* 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 to ensure 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 of March 1, 2018

No.	Name list		Position
1	Mr. Suthep	Liumsirijareern	Independent Director and Chairman
2	Mr. Numchai	Lowattanatakul	Independent Director and Vice-Chairman
3	Mr. Krisada	Hutaserani	Independent director and Chairman of The Audit Committee
4	Mr. Chainoi	Puankosoom	Independent director, member of The Audit Committee, and member of The Human Resource and Remuneration Committee
5	Mr. Sorasak	Saensombat	Independent director, member of The Audit Committee, and member of The Corporate Governance and Social Responsibility Committee
6	Mr. Teerawit	Charuwat	Director, Chief Executive Officer, and Acting Chief Financial Officer
7	Mr. Prachuab	Ujjiin	Director, Chairman of The Investment Committee, and Chairman of The Risk Management Committee
8	Pol.Maj.Gen. Prayont	Lasua	Director, member of The Human Resource and Remuneration Committee, and member of The Risk Management Committee
9	Mr. Thanarath	Thanavutwatthana	Director
10	Mr. Chotiphun	Tiaviwat	Director

Directors No. 1 and 2 are non-executive directors, however they are experienced in the business that the Company is operating.

Authorized directors who oblige the Company according to the Company's affidavit are Mr. Teerawit Charuwat or Mr. Prachuab Ujjiin or Pol.Maj.Gen Prayont Lasua, or Mr. Thanarath Thanavutwatthana, two out of four sign and affix the Company's seal.

7.2 Chief Executive Officer

1. Scope of duties - According to the scope and objectives specified by the Board of Directors.

2. Duties and responsibilities

2.1 Responsibilities to the Board of Directors

- To be responsible and to create confidence towards the Board of Directors in ensuring that they will receive the necessary information for supervision and decision-making.
- Report on the Company's performance to the Board of Directors regularly, as well as to propose various options to the Board of Directors for consideration.

2.2 Stockholder Relations

- To be responsible for good relationship and cooperation between the Company and shareholders to ensure that the Company's operations are in line with the stated objectives.

2.3 Strategic and Operational Planning

- Prepare an annual business plan that is in line with the strategies approved by the Board of Directors.
Coordinate with the Accounting and Finance Manager to prepare an annual budget to be in line with the business plan.
- Coordinate and cooperate with the Board of the Directors to set the Company's vision and goals, as well as related policies.
- Develop a system to monitor the implementation of the plan.
- Devise a plan to develop future leaders within the organization to support the expansion of work.

2.4 General Management Responsibilities

- Create corporate culture that reflect corporate values and to encourage work to be done with good standard and quality.
- Supervise the management of human resources and ensure that it is efficient in order to improve the quality of human resources
- Supervise the operation of the Company in accordance with the policies assigned by the Company's Board of Directors and in compliance with the law.
- Organize resources efficiently and create harmony within the organization; this includes rewards and punishments.
- Define and improve the current operating system for better efficiency and control, as well as to create effective communication system within the organization.

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 as of March 1, 2018 are as follows:

No.	Name List	Position	Shareholding in the company (%)
1	Mr. Teerawit Charuwat	Chief Executive Officer	None
2	Mr. Cholan Vongsing ⁽¹⁾	Chief Operating Officer	None
3	Ms. Sorrakrit Lathitham ⁽²⁾	Chief Marketing Strategy Officer	None
4	Ms. Kulthida Verathaworn ⁽³⁾	Business Development Director and Company Secretary	None
5	Mr. Thaworn Pornpanussri ⁽⁴⁾	Finance and Accounting Director	None
6	Mr. Ekkawit Kaewwichian	Legal Department Manager	None
7	Ms. Lucksaporn Sangdoungrivilai ⁽⁵⁾	Financial Division Manager	None
8	Ms. Wanna Pongpho ⁽⁵⁾	Accounting Division Manager	0.002

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.
- Never an employee or a partner with the external auditing company that the company has used for the past 2 years.

The Board of Directors of Subsidiaries

Company	No.	Name list	Position
Demeter Power Co., Ltd.	1	Mr. Prachuab Ujjin	Director
	2	Mr. Cholan Vongsing	Director
Demeter Innovation Co., Ltd.	1	Mr. Sorrakrit Lathitham	Director
	2	Mr. Cholan Vongsing	Director
Aukkarawat Plant Renewable Energies Co., Ltd.	1	Mr. Niwat Chayakul	Director and Managing Director
	2	Mr. Chatchai Amornritvanich	Director
	3	Mr. Nat Kongpanichkul	Director

The Board of Directors of Associates

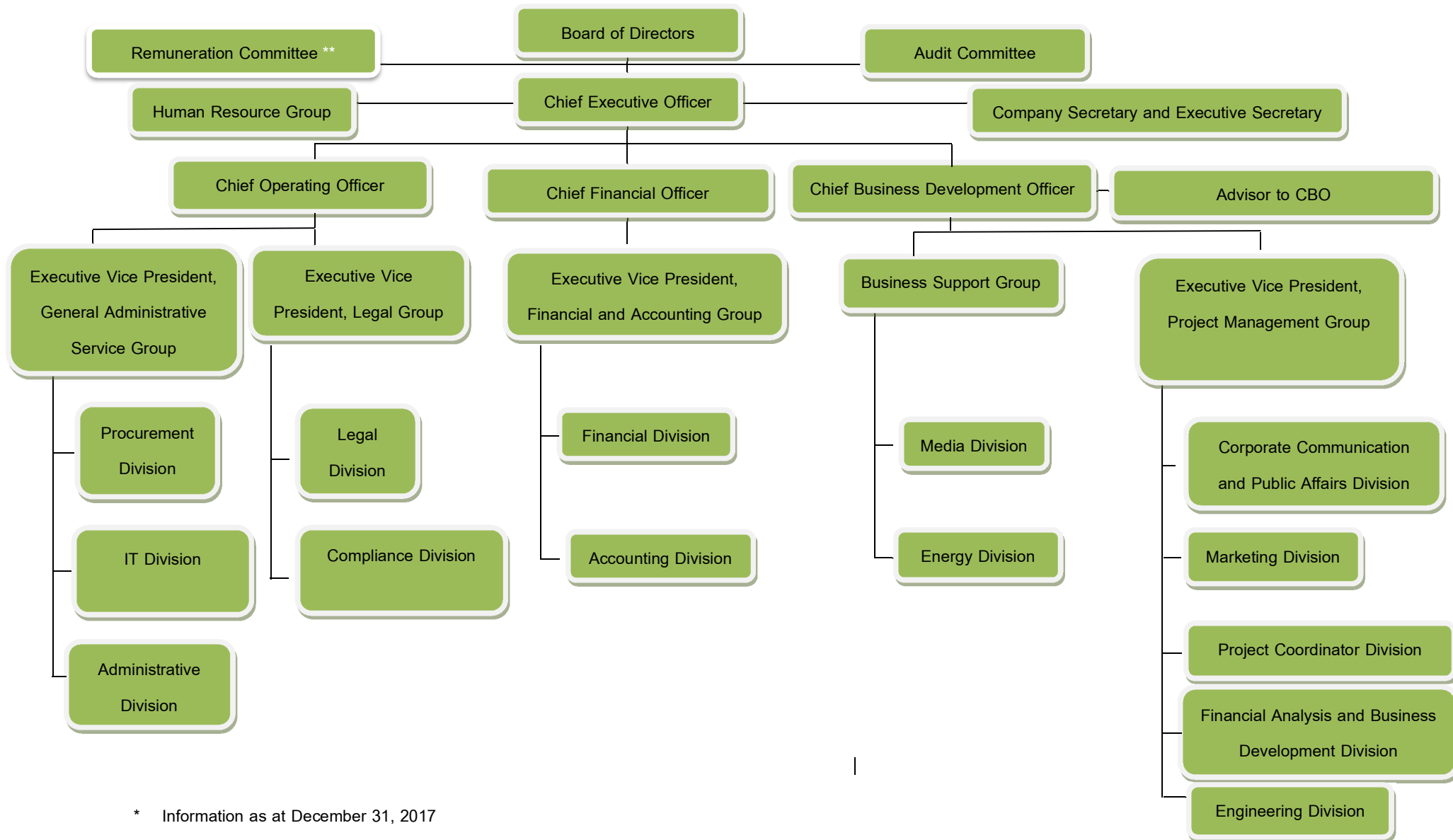
Company	No.	Name list	Position
Blue Finix Digital Co., Ltd.	1	Mr. Teerawit Charuwat	Chairman
	2	Mr. Wiwat Wongwarawipat	Vice-Chairman
	3	Mr. Surasak Areesawangkit	Director and Chief Executive Officer
	4	Mr. Sorrakrit Lathitham	Director
	5	Mr. Apiwich Pansiriphokkul	Director
	6	Mr. Nitiphat Panichchaivivat	Director
	7	Mr. Ekkawit Kaewwichian	Director
Hero Experience Co., Ltd.	1	Mr. Surakiat Thienthong	Chairman
	2	Mr. Noppadol Jason Jirasant	Director and Chief Executive Officer
	3	Mr. Vich Waitoonkiat	Director
	4	Mr. Surachart Thienthong	Director
	5	Mrs. Sunattha Bodhinbhakdikul	Director
	6	Mr. Kovit Jirachananont	Director
	7	Mr. Teerawit Charuwat	Director
	8	Pol.Maj.Gen. Prayont Lasua	Director
	9	Ms. Pichaya Ruktapongpisal	Director

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

Name	Company	Subsidiaries :		Associates :			Related :
		D POWER	D INNOVATION	Aukkarawat Plant Renewable Energies Co., Ltd.	Blue Finix Digital Co., Ltd.	Hero Experience Co., Ltd.	None
Mr.Teerawit Charuwat	2,3	-	-	-	1,2,3	2	-
Pol.Maj.Gen Prayont Lasua	2,3	-	-	-	-	2	-
Mr.Cholapan Vongsing	-	2,3	2,3	-	-	-	-
Mr. Sorrakrit Lathitham	-	-	2,3	-	2,3	-	-
Mr. Ekkawit Kaewwichian	-	-	-	-	2	-	-
Ms. Pichaya Ruktapongpisal	-	-	-	-	-	2,3	-
Mr. Niwat Chayakul	-	-	-	2,3	-	-	-
Mr. Chatchai Amornritvanich	-	-	-	2,3	-	-	-
Mr. Nat Kongpanichkul	-	-	-	2,3	-	-	-

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

Organization Chart



* Information as at December 31, 2017

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, 2017 to December 31, 2017 was in the amount of Baht 1,968,633.32 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.Suthep Liumsirjarern	248,000.00	13/13	13/11/2015
2	Mr.Numchai Lowattanatakul	148,000.00	9/13	26/2/2016
3	Mr.Krisada Hutaserani	160,000.00	9/13	13/7/2016
4	Mr.Chainoi Puankosoom	11,333.33	0/0	12/12/2017
5	Mr.Sorasak Saensombat	28,900.00	3/3	10/11/2017
6	Mr.Teerawit Charuwat	172,000.00	12/13	13/7/2016
7	Mr.Prachuab Ujjin	127,500.00	8/8	15/5/2017
8	Pol.Maj.Gen Prayont Lasua	73,100.00	7/7	23/8/2017
9	Mr.Thanarath Thanavutwatthana	127,500.00	8/8	15/5/2017
10	Mr.Chotiphun Tiaviwat	52,900.00	4/6	13/8/2014 (1/5/2017) 10/11/2017
11	Ms.Patsak Osathanugrah	151,033.33	9/11	13/8/2014 (24/11/2017)
12	Mr.Trairat Chatkaew	24,000.00	2/3	30/4/2015 (31/3/2017)
13	Mr.Kunpoj Kittiratsiri	115,233.33	6/8	10/8/2016 (12/10/2017)
14	Mr. Apichet Bhusry	36,000.00	3/3	12/5/2015 (1/5/2017)
15	Mr.Pacharasut Sujarittanonta	123,733.33	8/9	16/12/2016 (22/8/2017)
16	Mr.Charnsak Thanataecha	86,900.00	4/6	10/8/2016 (22/8/2017)
17	Mr.Patarapol Waranimman	110,500.00	0/7	15/5/2017 (1/12/2017)
18	Mr.Anit Osathanugrah	172,000.00	10/13	4/9/2014 (23/1/2018)
	Total	1,968,633.32		

(1.2) The salary of executives from January 1, 2017 to December 31, 2017 was in the amount of Baht 18,392,315.13.

(1.3) The meeting allowance of The Audit Committee

From January 1, 2017 to December 31, 2017, the 7 members of the audit committee received the remuneration as meeting allowance from the Company in the amount of Baht 230,000.00 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	114,000.00	5/5	13/8/2016
2	Mr.Numchai Lowattanatakul	17,000.00	1/1	3/11/2017
3	Mr.Chainoi Puankosoom	-	0/0	12/12/2017
4	Mr.Sorasak Saensombat	-	0/0	10/11/2017
5	Mr.Patarapol Waranimman	17,000.00	1/2	15/5/2017 (1/12/2017)
6	Mr.Pacharasut Sujarittanonta	58,000.00	4/4	16/12/2016 (27/10/2016)
7	Mr. Trairat Chatkaew	24,000.00	2/2	30/4/2015 (31/3/2016)
	Total	230,000.00		

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.

(1.4) The meeting allowance of The Human Resource and Remuneration Committee

From January 1, 2017 to December 31, 2017, the 3 members of The Human Resource and Remuneration Committee received the remuneration as meeting allowance from the Company in the amount of Baht 36,000.00 with the details as follows:

No.	Name	Amount (Baht)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr.Numchai Lowattanatakul	-	0/1	10/11/2016
2	Mr.Charnsak Thanataecha	24,000.00	1/1	10/11/2015 (22/8/2017)
3	Mr. Trairat Chatkaew	12,000.00	1/1	10/11/2015 (31/3/2017)
4	Mr. Prayont Lasua	-	0/0	23/8/2017
5	Mr. Chainoi Puankosoom	-	0/0	12/12/2017
	Total	36,000.00		

(1.5) The meeting allowance of The Corporate Governance and Social Responsibility

Committee

From January 1, 2017 to December 31, 2017, the 3 members of Corporate Governance and Social Responsibility Committee received the remuneration as meeting allowance from the Company in the amount of Baht 73,000.00 with the details as follows:

No.	Name	Amount (Baht)	The number of attendance/The number of meeting	Appointment Date (Resignation Date)
1	Mr.Numchai Lowattanatakul	22,000.00	1/1	10/11/2016
2	Mr.Prachuab Ujjin	17,000.00	1/1	10/11/2016
3	Mr.Sorasak Saensombat	17,000.00	1/1	10/11/2016
4	Mr.Teerawit Charuwat	17,000.00	1/1	10/11/2016
	Total	73,000.00		

(2) Other remuneration that is not money

- None -

7.5 Personnel

The Company has the total personnel of 25 people. From January 1, 2017 to December 31, 2017, the Company has paid to the employees in the amount of Baht 27,534,573.71 including salary, overtime, provident fund, social security fund and post-employment benefits. In addition, subsidiaries have been paid to the employees in the amount of Baht 1,417,666.66.

The employee's salaries are the remuneration that is allocated to employees according to their performance and job position. While contributions to the provident fund is provided as a welfare to motivate employees to perform and work with the company for a long time. The company will pay employee contributions at the rate of 5% of the employee salaries.

Contributions to the social security fund are provided by the company under the Labor Protection Act, and post-employment benefits are provided as retirement compensation.

The number of employees and remuneration

January 1, 2017 to December 31, 2017	DCORP	D POWER*	D INNOVA**
Executives	5	1	1
Staffs	20	2	0
Total (people)	25	3	1
Remuneration (Baht)	27,534,573.71	691,083.33	726,583.33

Note * From June 1, 2017 – July 31, 2017

** From May 1, 2017 – December 31, 2017

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 4 directors of the audit committee.

No.	Name	Position
1	Mr. Krisada Hutaserani	Independent director and Chairman of The Audit Committee
2	Mr. Numchai Lowattanatakul	Independent director and member of The Audit Committee
3	Mr. Chainoi Puankosoom	Independent director and member of The Audit Committee
4	Mr. Sorasak Saensombat.	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) Human Resource and Remuneration Committee

1. Components of The Human Resource and Remuneration Committee

- 1.1. The Human Resource and Remuneration Committee will consist of at least three (3) members, most of whom are independent directors (more than 50 percent).
- 1.2. The Chairman of The Human Resource and Remuneration Committee must be an independent director.

2. Appointment

- 2.1. The Board of Directors will appoint members of the Human Resource and Remuneration Committee, most of whom are independent directors (more than 50 percent).
- 2.2. Upon termination of the term of office of a member of The Human Resource and Remuneration Committee or upon any circumstances that a member cannot fulfill the position until the end of the term which consequently lessens the minimum number of members in the committee, the Board of Directors in their meeting must appoint a member to fulfill the vacant spot within 3 months from the date of vacancy to ensure the continuity of the work in The Human Resource and Remuneration Committee.
- 2.3. The Human Resource and Remuneration Committee must select a member from its committee to hold the position of Chairman of the committee.
- 2.4. Appoint a secretary of the Human Resource and Remuneration Committee to assist the committee in operations, prepare meeting agendas, compile documents for meetings, and document all meeting minutes.

3. End of Term

- 3.1. End of term refers to the termination of a director position or the end of term of office, or resignation or removal from office.

3.2. In the event that any member of The Human Resource and Remuneration Committee wishes to resign prior to the expiration of his or her term of office, the member should notify the resignation one month in advance thus provide a reason in order that the Board of Directors can appoint a new member who is qualified to take the vacant position. In addition, the Company will also report the resignation to the Stock Exchange of Thailand.

3.3. In the event that any member of The Human Resource and Remuneration Committee is removed from office before the end of his or her term, the Company must report the removal of such position and the reason to the SET. The member who has been removed can provide further explanations of the removal to the SET.

4. Term of Office

4.1. Term of office of the members of The Human Resource and Remuneration Committee will be three (3) years from the date of appointment.

4.2. The members of the committee may be reappointed if the Board of Directors deems appropriate.

5. Qualifications of members in The Human Resource and Remuneration Committee

Members in The Human Resource and Remuneration Committee must meet all the following qualifications:

(a) In the case that a member of The Human Resource and Remuneration Committee is an independent director, he or she must be fully qualified according to the definition of an independent director as noted by the Capital Market Supervisory Board.

(b) Not being a director appointed by the Board of Directors to make decisions on the operations in the Company, Subsidiaries, Associated Companies, or make decisions on behalf of the major shareholders or the people who have high authority in the Company.

(c) Not being a director of the Company, subsidiary, or its subsidiaries in the same order as listed companies.

(d) Have sufficient knowledge and experience to be able to serve as a member of The Human Resource and Remuneration Committee.

6. Duties and Responsibilities of The Human Resource and Remuneration Committee

6.1. Recruitment practice

6.1.1. It is the duty of the Board of Directors to consider the structure in terms of the number of committees appropriate to the size, type and complexity of the business, thus the qualifications of each director in terms of skills, experience,

and specific competencies related to the business or the main industry of the Company.

6.1.2. Consider the qualifications of any candidate who will become an independent director in which he or she is seen as suitable for the company thus meets the qualifications as noted by the office of the SEC.

6.1.3. Establish criteria and procedures for recruiting candidates for director positions to suit the specific characteristics of the company.

6.1.4. To recruit, select and nominate appropriate people to fill in the position of the directors who have completed their term and/or a vacant spot and/or need to make an appointment.

6.1.5. Ensure that the company provides orientation and distribute documents and information which will benefit the duties of the directors.

6.1.6. Prepare and review the development plan for the Managing Directors and executive officers in order to have a succession plan for successors in the case that the managing directors or executive officers in certain positions has retired or is unable to perform his or her duties; this is to ensure that there is a continuous operation in the management of the company.

6.2. Compensation Consideration Duty

6.2.1. Review policies and guidelines for determining remuneration and benefits of the president, managing directors and executives of the company.

6.2.2. Provide recommendations to the Board of Directors in presenting the remuneration of the president, managing directors, and executives to the Board of Directors meetings and/or to the shareholder's meetings for approval. The Board of Directors will approve the remuneration and benefits of the president, managing directors, and executives, while the remuneration and benefits of the directors will be proposed by the Board of Directors to the shareholder's meeting for approval.

7. Quorum

At The Human Resource and Remuneration Committee meeting, to consider a quorum, there must be members of the committee present no less than half of the number of members in the Human Resource and Remuneration Committee. In the case the Chairman of the Human Resources and Remuneration Committee is absent from the meeting or is unable to perform his duties, the members present at the meeting must elect a member of the Human Resource and Remuneration Committee to chair the meeting.

Each member of the Human Resource and Remuneration Committee has one (1) vote and the decision of the meeting shall be taken by the majority vote. In the event that any member of the Human Resource and

Remuneration Committee has any interest in any matter, he or she has no rights to vote on that matter. If the votes are equal, the Chairman of the Human Resource and Remuneration Committee shall have an additional casting vote.

8. Procedures for Nomination of Directors

- 8.1. The company provides opportunities for minority shareholders to nominate qualified directors or to consider people from a Director Pool or to consider reappointing existing directors or to have each director nominate a name for a director position.
- 8.2. Select and screen qualified candidates for the director position by taking into account the appropriateness of knowledge and experience one has which correlates to the company's strategy based on the Board Skill Matrix.
- 8.3. Perform a background check of the nominated candidate to ensure they have the qualifications under the laws and regulations such as the Securities and Exchange Act B.E. 2535
- 8.4. In the case of reappointing an existing director to maintain their position must take into account their dedication, conflict of interest, or any potential conflict they may have with the company, their performance during their tenure, the usefulness of their opinion and comments when participating in various directors' activities. In addition, the number of companies each director has been appointed must be taken into account to in order to ensure that their contribution will not lessen.
- 8.5. In the case of appointing an independent director, the qualifications of the candidate must be considered and that the independent director is independent according to the rules and regulations of the Stock Exchange of Thailand.
- 8.6. Compile a list of candidates that the Human Resource and Remuneration Committee has reviewed as well as to provide details of the qualifications and reasons in the order that the Human Resource and Remuneration Committee wants to propose at the Annual General Shareholder's Meeting to be elected individually, thus must also take into account the performance of the previous directors.

9. Criteria for determining remuneration

- 9.1. Consider the remuneration based on the role, duty, performance, the company's performance, and the same industry practices.
- 9.2. Consider that the remuneration is in line with the criteria set by the authorities or any related suggestions.

Currently, there are 3 directors of the Human Resource and Remuneration Committee:

No.	Name	Position
1	Mr. Numchai Lowattanakul	Independent director and Chairman of The Human Resource and Remuneration Committee
2	Pol.Maj.Gen. Prayont Lasua	Director
3	Mr. Chainoi Puankosoom	Independent director and member of The Human Resource and Remuneration Committee

3) Corporate Governance and Social Responsibility Committee

The scope of duties and responsibilities to the Board of Directors are as follows:

1. Propose good corporate governance practices to the Board of Directors.
2. To advise the Board of Directors with regard to good corporate governance.
3. To supervise the performance of directors and management in order to comply with the principles of good corporate governance.
4. Review good corporate governance principles by comparing with international practices and then propose the recommendations to the Board of Directors.
5. Provide good corporate governance policy to the good corporate governance working committee.
6. Provide policies and guidelines for the implementation of Sustainability Management : SM which includes Corporate Social Responsibility : CSR.
7. The company policy must allow minor shareholders to nominate candidates to become the company's directors as well as to be able to propose the agenda for the Shareholder's Annual General Meeting.
8. Follow up the SM and report to the Board of Directors.
9. Establish a framework for monitoring anti-corruption practices.

Currently, there are 4 directors of the Corporate Governance and Social Responsibility Committee:

No.	Name	Position
1	Mr. Numchai Lowattanakul	Independent director and Chairman of The Corporate Governance and Social Responsibility Committee

No.	Name	Position
2	Mr. Prachuab Ujjin	Member of The Corporate Governance and Social Responsibility Committee
3	Mr. Sorasak Saensombat.	Independent director and member of The Corporate Governance and Social Responsibility Committee
4	Mr. Teerawit Charuwat	Member of The Corporate Governance and Social Responsibility Committee

4) Risk Management Committee

1. Components of The Risk Management Committee

1.1 The Board of Directors must approve the appointment of having the Risk Management Committee. The Board of Directors selects members of the committee from the directors and executives who the Board of Directors deems suitable for the position.

1.2 The Risk Management Committee will consist of at least three (3) members.

1.3 The Board of Directors shall appoint one member from the Risk Management Committee to become the Chairman of the committee.

1.4 The Risk Management Committee shall appoint a secretary of the Risk Management Committee to assist the Risk Management Committee in the action on meeting calls, agenda preparation, documentation for meetings, and filing of minutes

2. Term of Office

2.1. Term of office of the members of The Risk Management Committee will be three (3) years from the date of appointment and may be reappointed when the term of office has been completed.

2.2. In the event that any member of The Risk Management Committee wishes to resign prior to the expiration of his or her term of office, the member should notify the resignation one month in advance thus provide a reason. In addition, the Company will also report the resignation to the Stock Exchange of Thailand

2.3. In the event that any member of The Risk Management Committee is removed from office before the end of his or her term, the Company must report the

removal of such position and the reason to the SET. The member who has been removed can provide further explanations of the removal to the SET.

- 2.4. In the case a Risk Management Committee position is vacant for any reason other than the expiration of term, Clause 2.1, the Board of Directors shall appoint a new member who is qualified to fulfill the vacant spot within 3 months from the date of vacancy to ensure the continuity of the work in the Risk Management Committee.

3. Qualifications

- 3.1. Every member of the Risk Management Committee must be a qualified person without probation according to the Public Limited Company regulations as well as the Securities and Exchange Act.
- 3.2. Pertains knowledge about the company's affairs and is experienced enough to be able to perform his or duties in as a member of the Risk Management Committee.
- 3.3. Be honest and ethical in conducting business.
- 3.4. Members of the Risk Management Committee are not allowed to operate as a partner or to be a director in another juristic entity with the same conditions or is seen as a competitor to the company.

4. Authority and Responsibility of the Risk Management Committee

The Risk Management Committee has the following scope of authority and responsibility:

1. Establish a risk management policy and structure that oversees the major risks of the company such as financial risks, investment risks, market risks, liquidity risks, operational risks, and risks that would affect the company's reputation. The policy and structure must be presented to the Board of Directors for approval in which it should also comply with the Stock Exchange of Thailand's risk management guidelines.
2. Formulate strategies and guidelines for risk management in accordance with the risk management policy, in order to assess, monitor, and control each type of risk to be in a suitable level, by having all units involved help operate and control the risks.
3. Supervise and follow the implementation of the risk management policy under the guidelines and policies approved by the Board of Directors.
4. Define risk measurement criteria and risk thresholds that company find is acceptable.
5. Define appropriate measures to be taken to manage risk of the situation.

6. Evaluate risk at the enterprise level and define a risk management approach, thus monitor the risk management in accordance with the prescribed procedures.
7. Review the adequacy of the risk management policy and system, as well as the effectiveness of the system and its compliance with the company's policy.
8. Has the authority to call the person responsible to clarify or the authority to appoint and assign roles and risk management responsibilities to all levels of staffs in which they must also report to the Risk Management Committee to ensure that risk management is achieved.
9. Report the results of operational management and risk status of the company as well as changes, thus to provide suggestions on what to improve to the Audit committee in order to present to the Board of Directors on a regular basis.
10. Prepare risk management manual.
11. Identify various risks, as well as analyze and evaluate potential risks and trends that can affect the company.
12. Prepare a plan to protect or reduce the risk.
13. Evaluate and prepare the risk management report.
14. Perform other tasks as the Board of Directors deems appropriate and the Risk Management Committee is responsible directly to the Board of Directors.

5. Meetings and Voting

- 5.1. Have the Risk Management Committee meet at least once a year.
- 5.2. The Chairman of the Risk Management Committee calls the meeting of the Risk Management Committee and each member of the committee must be present by him/herself. However, in the Risk Management Committee, the Chairman may invite executives, staffs who are involved and/or people who sees fit to attend the meeting and give comments or to submit additional information that is relevant or seen as necessary.
- 5.3. The Risk Management Committee meeting must have at least half of all the members of the Risk Management Committee present and that shall constitute a quorum.

6. Reporting

The Risk Management Committee regular reports the risks and recommendations to the Management Committee as seen appropriate.

Currently, there are 3 directors of the Risk Management Committee:

No.	Name	Position
1	Mr. Prachuab Ujjin	Chairman of the Risk Management Committee
2	Pol.Maj.Gen. Prayont Lasua	Member of The Risk Management Committee
3	Mr. Teerawit Charuwat	Member of The Risk Management Committee

5) Investment Committee

The duties and responsibilities of the Investment Committee are as follows:

1. Determine the strategy and goal of the investment plan, investment budget and the return on investment.
2. Review any investment and to ensure that it correlates with the policy and the company's investment plan goals by considering the return on investment and all associated risk factors.
3. Track the status and progress of the approved projects and report to the Board of Directors for acknowledgment and evaluation.

Currently, there are 3 directors of the Risk Management Committee:

No.	Name	Position
1	Mr. Prachuab Ujjin	Chairman of the Investment Committee
2	Mr. Teerawit Charuwat	Member of the Investment Committee
3	Mr. Cholaphan Vongsing	Member of the Investment Committee

6) 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.

Currently, there are 7 directors of the Management Committee:

No.	Name	Position
1	Mr. Teerawit Charuwat	Chairman of the Management Committee
2	Mr. Prachuab Ujjin	Member of the Management Committee
3	Mr. Cholaphan Vongsing	Member of the Management Committee
4	Mr. Sorrakrit Lathitham	Member of the Management Committee
5	Mr. Thaworn Pornpanussri	Member of the Management Committee
6	Ms. Kulthida Verathaworn	Member of the Management Committee
7	Mr. Ekkawit Kaewwichian	Member of the Management Committee

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, in which the Human Resource and Remuneration Committee will do a preliminary evaluation to ensure there is diversity such as in terms of skillsets, expertise, and gender for instance in the organization to replace the vacancy spot 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 Human Resource and Remuneration 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 2017 as followings.

No.	Name of Auditor	Registration No.	Name of Audit Company
1	Mr. Jadesada Hungsapruek	CPA Registration No. 3759	Karin Audit Co., Ltd.
2	Ms. Kannika Wipanurat	CPA Registration No. 7305	Karin Audit Co., Ltd.
3	Mr. Jirote Sirirorote	CPA Registration No. 5113	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 2017, the Company has arranged an activity as follows.

- On December 21, 2017, the Company joined with PEA ENCOM International Company Limited, a subsidiary of Provincial Electricity Authority, in providing 815 energy saving LED lightbulbs for schools under the Royal Projects of HRH Princess Maha Chakri Sirindhorn_which has been presided over by Mr. Nattapong Sirichana, Governor of Nakhon Nayok Province. The purpose of the activity was based on how LED energy saving lightbulbs are part of the energy management business that the company operates, in which the company works with both public and private sectors to maximize energy usage and to reduce the cost of electricity. The details of the activity are as follows:

No.	School	Number of bulbs, supported company (bulbs)
1	Wat Santayaram School	85
2	Wat Nong Toei School (Tang Trongchit 8)	30
3	Wat Sombun Samakkhi School	35
4	Wat Khoklamduan School	10
5	Wat lam Pradit School	25
6	Wat Thampanya School	40
7	Wat Suttatammaram School	20

No.	School	Number of bulbs, supported company (bulbs)
8	Wat Yothirat Saththaram School	20
9	Wat Khao Noi School	20
10	Wat Tha Dan School	75
11	Wat Ta Chai School	20
12	Wat Hubmoei School	20
13	Wat Prammanee School	40
14	Wat Wang Yai Chim School	35
15	Bannongkankoa School	45
16	Wat Ko Krachai School	15
17	Wat Wangplacheed School	45
18	Wat Ploi Krachang Si School	70
19	Ban Khlong Sip Si School	85
20	Bankhaosongklong School	80
sum		455

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. 3/2018 held on March 19, 2018 passed the resolution to appoint The Best Solution Partnership Limited to audit the internal control of the Company for the year 2018. 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

Inter-company transactions have been conducted in a fair manner, value and at arm's length. The Company has accounting transactions with persons and related companies in a fair and at arm's length for the period ended December 31, 2017 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 2016 (Baht)	Amount 2017 (Baht)	Audit Committee's Opinion Rationale and Necessity
Demeter Innovation Co., Ltd. (D Innovation)	A subsidiary. Shareholding of the Company and co- directors are as followings: 1. Demeter Corporation Public Co., Ltd. No. of shareholding 479,998 shares % of shareholding 99.9996 2. Ms.Kulthida Verathaworn No. of shareholding 1 share % of shareholding 0.0002 3. Ms.Pichaya Ruktapongpisal No. of shareholding 1 share % of shareholding 0.0002	Income from rent and services - Trade receivable	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.
		Rent and service - Trade payable	1,600,000.00		- Payable from administration and management contract. The terms of the contract price are based on an agreed contract and comparable to transactions with non-related third party.

Company/ Related Parties	Relation	Description	Amount 2016 (Baht)	Amount 2017 (Baht)	Audit Committee's Opinion Rationale and Necessity
		Interest income		1,204,947.00	<p>- Interest income from loans are as follows:</p> <p>Contract 1 dated 26/4/2016 with the loan amount of Baht 10,000,000.</p> <p>The company has been repaid on September 21, 2016.</p> <p>Contract 2 dated 3/5/2016 with the loan amount of Baht 74,370,000.</p> <p>Both contracts bear interest at the rate of 2% per annum.</p>

Company/ Related Parties	Relation	Description	Amount 2016 (Baht)	Amount 2017 (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. Ms.Kulthida Verathaworn</p> <p>No. of shareholding 1 share</p> <p>% of shareholding 0.00001</p> <p>3. Ms.Pichaya Ruktapongpisal</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> <p>Interest Income</p>	<p>405,760.00</p> <p>164</p>		<p>- 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.</p> <p>- Interest income from loan of Baht 3 million for a period of 1 day bearing interest at the rate of 2% per annum.</p>
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>Income from rent and services</p> <p>- Trade receivable</p>	<p>126,790.00</p>		<p>- Trade receivables from rental contracts with asset and office equipment and the contracts to</p>

Company/ Related Parties	Relation	Description	Amount 2016 (Baht)	Amount 2017 (Baht)	Audit Committee's Opinion Rationale and Necessity
	% of shareholding 99.9998 2. Mr. Anit Osathanugrah No. of shareholding 1 share % of shareholding 0.0001 3. Mr. Apichet Bhusry No. of shareholding 1 share % of shareholding 0.0001 <u>Note</u> 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.	Rent and service - Trade payable	44,803.00		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. - 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.
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.	Interest Income		7,968.00	- Interest income received from the loan agreement dated July 24, 2017 with the total amount of loan not exceeding Baht 2,000,000 by installments, at the interest rate of

Company/ Related Parties	Relation	Description	Amount 2016 (Baht)	Amount 2017 (Baht)	Audit Committee's Opinion Rationale and Necessity
					7% per annum. As of December 31, 2017, the loan amounted to Baht 300,000.

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

Summary of Audit Reports

Consolidated and separate financial statements for the year ended December 31, 2015

Audited by “Karin Auditing Co., Ltd.”, with Mr. Jirorote Sirirorote, Certified Public Accountant No. 5113, acting as the auditor and have conducted the audit in accordance with Thai Standards of Auditing. The auditor has agreed that the financial statements of the Company shows the consolidated separate statements of financial position as of December 31, 2015, the related consolidated and separate statements of comprehensive income, and the consolidated cash flows and cash flows for the same year. The financials are prepared in accordance with generally accepted accounting principles.

Highlighted information and events

This is not a conditional statement, please refer to:

1. NOTES TO THE FINANCIAL STATEMENTS 12.2 The Company has invested in ordinary shares of Winchai Co., Ltd. As of October 12, 2015. The company is considering the fair value of the business and the management team has appointed an independent evaluator to evaluate such fair value. However, as of the date of this consolidated financial statements has been approved, the Company is still considering the evaluator's information, therefore the fair value of assets required and liabilities assumed is estimated at the acquisition date and may be adjusted as described in Note 12.2.
2. As discussed in Note 1.2.2, Clause 15.2 and Clause 32.1, the Company has canceled the agreement to co-produce satellite TV programs to reduce the contractual obligation to pay a long-term compensation. The Company had to pay the damages due to the cancellation of these contracts amounting to Baht 203.78 million and the Company recorded such losses in the financial statements. As discussed in Note 15.1 of the financial statements, on January 30, 2015, the Company entered into an agreement to purchase broadcasting rights with a company amounting to Baht 369.2 million and the company agreed to guarantee the minimum revenue to the Company as specified. In the contract on November 11, 2015, the Company entered into debt restructuring agreement to determine the rules and procedures for debt settlement and will happen under the contract to buy airtime management rights. The Company is determined not to recognize the revenues already incurred in the financial statements. The Company will

recognize the revenue in the accounting when the Company receives payment under the agreement. In addition, the Company has set aside allowance for impairment of net book value.

Consolidated and separate financial statements for the year ended December 31, 2015

Audited by “Karin Auditing Co., Ltd.”, with Mr.Jirote Sirirrote, Certified Public Accountant No. 5113, acting as the auditor and have conducted the audit in accordance with Thai Standards of Auditing. The auditor has agreed that the financial statements of the Company shows the consolidated separate statements of financial position as of December 31, 2016, the related consolidated and separate statements of comprehensive income, and the consolidated cash flows and cash flows for the same year. The financials are prepared in accordance with generally accepted accounting principles.

Highlighted information and events

This is not a conditional statement, please refer to Note 13.2 of the financial statement. The Company has invested in ordinary shares of Aukkrarawat Plant Renewable Energies Co., Ltd. As of December 30, 2016, the Company is considering the fair value of the business and the management team has appointed an independent evaluator to evaluate such fair value. However, as of the date of this consolidated financial statements, the Company is still considering the information. Therefore, the fair value of the acquired asset and liabilities are estimated values at the acquisition date and may be adjusted.

Consolidated and separate financial statements for the year ended December 31, 2017

Audited by “Karin Auditing Co., Ltd.”, with Mr. Jadesada Hungsapruek, Certified Public Accountant No. 3759, acting as the auditor and have conducted the audit in accordance with Thai Standards of Auditing. The auditor has agreed that the financial statements of the Company shows the consolidated separate statements of financial position as of December 31, 2017, the related consolidated and separate statements of comprehensive income, and the consolidated cash flows and cash flows for the same year. The financials are prepared in accordance with generally accepted accounting principles.

Highlighted information and events

This is not a conditional statement, please refer to:

- (1) Note 10 of the financial statement as of December 31, 2016, the Company is considering the fair value of the business, the Company is considering the fair value of the business and the management team has appointed an independent evaluator to evaluate such fair value. However, as of the date of this consolidated financial statements, the Company is still considering the information.

Therefore, the fair value of the acquired asset and liabilities are estimated values at the acquisition date and may be adjusted. In addition, in accordance with the Thai Financial Reporting Standards 3, the management has to estimate the fair value of the acquired business at the acquisition date during the evaluation period, which shall not exceed one year from the date of acquisition.

Purchasers must retroactively estimate the previously acquired estimate at the acquisition date to reflect the additional information provided about the facts and circumstances at the acquisition date. After all, the price allocation of any purchase during the year 2017 must depend on the final purchase price and the results of the purchase price allocation.

- (2) As discussed in Note 11.1 of the financial statements, the Corporate Group hired an independent evaluator to evaluate the fair value of a power plant business of a subsidiary. The income approach method was used to calculate the discounted cash flow to present value. According to the evaluator's report, dated February 13, 2011, the fair value of the project is Baht 161.20 million. The independent evaluator has set up special assumptions for the valuation of the project. The duration of the construction is about 1 year from the date of assessment and the duration of energy production is 19 years from the date of construction of the project is completed 100 percent. The total investment of Baht 260.6 million is sufficient for the construction of bio-gas system, pipeline system, gas filter system, power generation, and etc. The Corporate Group recognized a loss on the goodwill of Baht 20.73 million in the consolidated financial statements. In addition, at the Board of Director's meeting No. 2/2018, on February 27, 2018, the Board of Directors have made a decision to cancel the investment or to sell the project in which the Company will continue to seek investors who are interested in the project.
- (3) Notes to financial statements No. 10, Clause 11, Clause 16 and Clause 28, the Corporate Group and the Company invested in various projects and reported on the progress of each major project.

Summarized table of the statements of financial position and the statements of comprehensive income of the Company for the year 2015 – 2017 and the statements of cash flows of the Company for the year 2016-2017

Demeter Corporation Public Co., Ltd and Subsidiaries

The Statements of Financial Position

Statement of Financial Position	Consolidated (Audited)					
	December 31, 2015		December 31, 2016		December 31, 2017	
	(Revised)		(Revised)			
	Million Baht	%	Million Baht	%	Million Baht	%
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	90.71	8.57	17.85	1.83	9.55	1.18
Temporary Investment	502.07	47.42	582.40	59.64	184.16	22.75
Trade Receivables and Other Current Receivables	88.82	8.39	75.94	7.78	73.92	9.13
Short-Term Loans to Related Companies	-	-	-	-	-	-
Short-term Loans to Related Companies	-	-	-	-	10.76	1.33
Income Tax Assets of Current Period	-	-	2.80	0.29	1.32	0.16
Other Current Assets	15.24	1.44	0.59	0.06	0.61	0.08
TOTAL CURRENT ASSETS	696.85	65.82	679.57	69.59	280.31	34.63
NON-CURRENT ASSETS						
Investment in Associates	171.18	16.17	-	-	321.04	39.67
Investment in Subsidiaries	-	-	-	-	-	-
Trade Receivables and Other Non-Current Receivables	-	-	85.89	8.80	73.03	9.02
Property, Plant, and Equipments - Net	62.11	5.87	40.97	4.20	34.52	4.26
Investment Property	-	-	24.55	2.51	21.63	2.67
Goodwill	-	-	34.01	3.48	51.20	6.33
Intangible Assets	127.94	12.09	38.94	3.99	-	-
Other Non-Current Assets	0.61	0.06	72.54	7.43	27.63	3.41
Total Non-Current Assets	361.84	34.18	296.91	30.41	529.05	65.37
Total Assets	1,058.69	100.00	976.47	100.00	809.36	100.00

Demeter Corporation Public Co., Ltd and Subsidiaries
The Statements of Financial Position (Continued)

Statement of Financial Position	Consolidated (Audited)					
	December 31, 2015		December 31, 2016		December 31, 2017	
	(Revised)		(Revised)			
	Million Baht	%	Million Baht	%	Million Baht	%
LIABILITIES AND SHAREHOLDERS' EQUITY	-					
CURRENT LIABILITIES						
Trade Accounts Payable and Other Current Payables	93.66	8.85	43.28	4.43	15.68	1.94
Current Portion of Long-Term Liabilities	1.78	0.17	1.92	0.20	1.89	0.23
Short-Term Loans	5.81	0.55	5.11	0.52	4.88	0.60
Total Current Liabilities	101.24	9.56	50.31	5.15	22.44	2.77
NON-CURRENT LIABILITIES						
Long-Term Loans	4.86	0.46	2.94	0.30	1.05	0.13
Provision for Non-Current Liabilities for Employee Benefits	1.06	0.10	1.50	0.15	2.65	0.33
Other Non-Current Liabilities	2.16	0.20	2.83	0.29	2.83	0.35
Total Non-Current Liabilities	8.07	0.76	7.27	0.74	6.54	0.81
Total Liabilities	109.32	10.33	57.58	5.90	28.98	3.58
SHAREHOLDER'S EQUITY						
Share Capital						
Issued and Paid-Up Share Capital						
Ordinary Shares 587,407,772 with Par Value of 1.00 Baht					587.41	72.58
Ordinary Shares 549,749,896 with Par Value of 1.00 Baht			549.75	56.30		
Ordinary Shares 525,847,758 with Par Value of 1.00 Baht	525.85	49.67				
Share Premium	1,433.79	135.43	1,454.61	148.97	1,487.41	183.78
Discount for Convertible Bonds	(6.60)	(0.62)	(6.60)	(0.68)	(6.60)	(0.82)
Share Discount	(39.60)	(3.74)	(39.60)	(4.06)	(39.60)	(4.89)
Retained Earnings						
Allocated - Legal Reserve	13.00	1.23	13.00	1.33	13.00	1.61
Unallocated	(977.07)	(92.29)	(1,062.80)	(108.84)	(1,269.38)	(156.84)
Other Components of Shareholders' Equity	-	-	-	-	1.79	0.22
Total Shareholders' Equity	949.37	89.67	908.36	93.02	774.02	95.63
Non-Controlling Interests	-	-	10.53	1.08	6.35	0.78
Total Shareholders' Equity	949.37	89.67	918.89	94.10	780.38	96.42
Total Liabilities and Shareholders' Equity	1,058.69	100.00	976.47	100.00	809.36	100.00

Demeter Corporation Public Co., Ltd and Subsidiaries

The Statement of Comprehensive Income

Statement of Comprehensive Income	Consolidated (Audited)					
	December 31, 2015		December 31, 2016		December 31, 2017	
	(Revised)		(Revised)			
	Million Baht	%	Million Baht	%	Million Baht	%
Income from Programme Co-Production	108.30	47.32	48.91	25.30	27.00	61.76
Income from Broadcasting Rights	34.12	14.91	51.17	26.46	16.71	38.22
Income from Sponsorship of Sporting Events	86.43	37.77	-	-	-	-
Sales Income	-	-	93.27	48.24	0.01	0.01
Total Revenue	228.84	100.00	193.36	100.00	43.71	100.00
Cost of Programme Co-Production	-232.96	-101.80	-18.60	-9.62	-7.20	-16.47
Cost of Broadcasting Rights	-39.19	-17.12	-48.73	-25.20	-15.19	-34.75
Cost of Sponsorship of Sporting Events	-85.83	-37.51	-	-	-	-
Cost of Sales	-	-	-77.08	-39.86	-	-
Total Cost	(357.97)	(156.43)	(144.41)	(74.69)	(22.39)	(51.22)
Gross Profit	-129.13	-56.43	48.94	25.31	21.32	48.78
Gain on Sale of Investment in Associate	-	-	19.80	10.24	-	-
Other Incomes	11.17	4.88	26.53	13.72	15.34	35.08
Gross Profit (Loss) Before Expenses	(117.96)	(51.55)	95.28	49.28	36.66	83.86
Administrative Expenses	-190.27	-83.14	-108.96	-56.35	-105.23	-240.72
Amortization of Contract Termination	-51.88	-22.67	-	-	-	-
Compensation and Loss from Contract Termination	-151.90	-66.38	-	-	-	-
Provision for Impairment of Intangible Assets	-312.44	-136.53	-41.44	-21.43	-16.87	-38.59
Loss on Impairment of Goodwill	-40.40	-17.65	-	-	-20.73	-47.43
Loss on Impairment of Investments in Subsidiary	-	-	-	-	-	-
Loss on Impairment of Investments in Associates	-	-	-	-	-65.33	-149.45
Executive Compensation	-25.39	-11.10	-29.98	-15.50	-24.06	-55.05
Financial Costs	-2.69	-1.18	-0.53	-0.27	-0.41	-0.94
Share of Losses in Associates	-0.07	-0.03	-0.67	-0.35	-13.00	-29.73
Total Cost	(775.04)	(338.68)	(181.59)	(93.91)	(245.63)	(561.92)
Loss before Income Tax	-893.00	-390.22	-86.30	-44.63	-208.97	-478.05
Income Tax	-16.12	-7.04	-	-	-	-
Net Loss for the Year	(909.12)	(397.27)	(86.30)	(44.63)	(208.97)	(478.05)
Other Comprehensive Income (Loss) for the Year						
Items that will not be Reclassified in Profit or Loss Afterwards:						
Profit (Loss) based on Revaluation						
Defined Employee Benefits	-0.39	-0.17	0.57	0.30	-	-
Total Loss	(909.51)	(397.44)	(85.73)	(44.34)	(208.97)	(478.05)

Demeter Corporation Public Co., Ltd and Subsidiaries

The Statements of Cash Flow

Statement of Cash Flow	Consolidated (Audited)	
	December 31, 2016	December 31, 2017
	(Revised)	
	Million Baht	Million Baht
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss Before Corporate Income Tax	(86.30)	(208.97)
Revised of Gain (Loss) on Cash Received (Paid)		
Net Cash Flows Derived from (Used in) Operating Activities		
Interest Coverage	0.10	0.29
Interest Received	(8.45)	(6.49)
Trade Receivables and Other Receivables (Increase) Decrease	(171.72)	15.84
Other Current Assets (Increase) Decrease	67.70	(0.04)
Other Non-Current Assets (Increase) Decrease	(71.84)	1.45
Accounts Payable and Other Current Liabilities	(10.96)	(27.61)
Other Non-Current Liabilities	0.67	-
Depreciation	8.01	9.66
Amortization of Intangible Assets	47.56	15.19
Amortization of Non-Refundable Deposits	-	8.63
Gain on Fair Value Adjustment	(10.91)	(0.47)
Unrealized Exchange Losses	-	4.51
Allowance for Doubtful Accounts (Reversal)	19.78	(0.96)
Allowance for Non-Refundable Deposit	-	29.59
Employee Benefit Expenses	1.03	1.16
Loss on Impairment of Investments in Subsidiaries	-	-
Withholding Tax	-	0.67
Allowance for Impairment of Intangible Assets	41.44	23.75
Gains from the Sale of Fixed Assets	(0.02)	(0.00)
(Gain) Loss on Disposal of Investment in Subsidiary	(1.21)	-
Gain on Sales of Investments in Associates	(19.80)	-
Loss on Impairment of Goodwill	-	20.73
Loss on Impairment of Investments in Associates	-	65.33
Share of Losses in Associates	0.67	13.00
Improvements from Reconciling Losses	(194.25)	(34.74)
Net Cash Flows Derived from (Used in) Operating Activities		
Interest Payment	(0.10)	(0.29)
Tax Returns	-	2.80
Income Tax Payment	(12.37)	(1.26)
Net Cash from Operating Activities	(206.72)	(33.50)

Demeter Corporation Public Co., Ltd and Subsidiaries
The Statements of Cash Flow (Continued)

Statement of Cash Flow	Consolidated (Audited)	
	December 31, 2016	December 31, 2017
	(Revised)	
	Million Baht	Million Baht
CASH FLOW FROM OPERATING ACTIVITIES		
Cash Paid for Acquisition of Subsidiaries from Net Cash Acquired	(34.36)	(37.92)
Proceeds from Sales of Subsidiaries from Net Cash Paid	57.88	-
Proceeds from Sales of Investments in Associates	215.00	-
Proceeds from Capital Reduction in Subsidiaries	-	-
Cash Paid for Purchase of Investment in Associate Companies	(24.69)	(399.37)
(Increase) Decrease in Temporary Investments	(69.03)	398.70
Cash Paid for Short-Term Loans to Related Companies	-	-
Proceeds from Short-Term Loans to Related Companies	-	-
Cash Paid for Short-Term Loans from Other Companies	-	(10.76)
Cash Receipts from Interest	8.45	6.49
Cash Paid to Purchase Land, Buildings, and Equipments	(0.39)	(0.49)
Net Cash Provided By (Used In) Investing Activities	152.85	(43.35)
Cash Flow from Financing Activities		
Proceeds from Issue of Shares	44.72	70.46
Cash Paid by the Lessee to Reduce the Amount of Liability Arising from the Finance Lease	(1.78)	(1.91)
Net Cash Provided by Financing Activities	42.94	68.54
Cash and Cash Equivalents	(10.93)	(8.31)
Cash and Cash Equivalents at the Beginning of the Year	90.71	17.85
Cash and Cash Equivalents of the Subsidiaries as of the Sale Date	(61.93)	-
Cash and Cash Equivalents at End of Year	17.85	9.55

Financial Ratio

	Consolidated (Audited)		
	2015	2016	2017
Current ratio (times)	6.88	13.66	12.49
Quick ratio (times)	6.14	12.04	11.93
Accounts receivable turnover (times)	5.19	1.97	0.45
Average collection period (days)	71	183	732
Accounts payable turnover (times)	11.81	14.59	31.99
Average debt payment period (days)	31	26	11
Gross profit (loss) margin rate (percent)	(56.43)	25.31	48.78
Net profit rate (percent)	(397.27)	(44.63)	(478.05)
Return on equity (percent)	(95.76)	(9.31)	(24.60)
Return on asset (percent)	(85.86)	(8.77)	(25.82)
Debt to equity ratio (times)	0.12	0.06	0.04

13. Analysis and explanation of the management

13.1 Financial Position

13.1.1 Assets

In 2015, 2016, and 2017, the Company's total assets were Baht 1,058.69 million, Baht 976.47 million and Baht 809.36 million, respectively. At the end of 2015, the total assets increased by Baht 744.60 million or 237.07 percent. The increase was mainly due to an increase in short-term investment of Baht 502.07 million, which was the proceeds from the allotment of new ordinary shares of the Company during the year 2015 and investments in Associates of Baht 171.18 million, from buying 12,500 shares, from Winchai Co., Ltd (WIND), representing 25 percent of the registered capital of WIND.

At the end of 2016, the Company's total assets decreased by Baht 82.22 million or 7.77 percent from the end of the year 2015, mainly due to the decrease in the following items:

1. Decrease in investments in associates Baht 171.18 million. Demeter Power Co., Ltd. (a subsidiary company) sold the entire shares of Winchai Co., Ltd. to First Alpha Venture Co., Ltd., totaling Baht 215 million on September 29, 2016.
2. Decrease in trade accounts receivable and other accounts receivable of Baht 23.30 million due to the provision for doubtful accounts receivable, broadcasting rights, sports channel EDGE SPORT amounting to Baht 15.43 million, and trade accounts receivable amounting to Baht 15.43 million, and trade accounts receivable amount to Baht 3.58 million, respectively.
3. Decrease in intangible assets of Baht 89 million resulted from amortization of Baht 47.50 million during the year 2016, and the recording of the allowance for impairment of broadcasting rights, broadcasting EDGE SPORT content of Baht 41.44 million.

However, the Company has the following assets:

1. Current investments increased by Baht 13.98 million, which is the proceeds from the allotment of new ordinary shares of the Company during the year 2015. The Company invests open-ended mutual funds for short-term mutual funds. As of December 31, 2016, the Company has short-term investments in one fund, which are presented in the financial statements. The Fund TMB Plus Baht 307.71 million in investment and trading securities, which are managed by SCB Securities Co., Ltd. amounting to Baht 208.34 million.
2. The increase in investment in subsidiary was Baht 32.61 million, which was the acquisition of 8,484 ordinary shares from Aukkrarawat Plant Renewable Energies

Co., Ltd., which produces and distributes electricity, representing 16.40 percent of the registered capital of the Company as of December 16, 2016.

3. An increase of non-current assets of Baht 64.31 million, an increase from Baht 0.59 million in FY2015. As of December 31, 2016, other non-current assets consisted of a deposit of shares in Aukkrarawat Plant Renewable Energies Co., Ltd, Baht 37.92 million and a deposit of land for power plant in the Philippines Baht 22.40 million.
4. The increase of finance lease receivables of Baht 85.89 million resulted from the sale of lighting system and air-conditioning system. The Company will receive payment in installments per month, totaling 84 installments.

As of the end of 2017, the Company's total assets decreased by Baht 167.11 million or 17.11 percent from the end of 2016 mainly due to the decrease of the following items:

1. Decrease in short-term investments Baht 398.24 million, the Company spent part of the investment in Hero Experience Co., Ltd, totaling to Baht 325.0 million or 37.5 percent of the registered capital; presented as an investment in associates.
2. The decrease of intangible assets of Baht 38.94 million was caused by the amortization of Baht 15.19 million during the year 2017, and the recording of the allowance for impairment of broadcasting rights totaling to Baht 23.75 million.

However, the Company has the following assets:

1. The increase in short term loans of Baht 10.76 million was a loan to an unrelated company of Baht 10.00 million plus accrued interest receivable of Baht 0.76 million bearing interest at the rate of 15 percent for a period of 7 months.
2. The increase in investment in associated companies by Demeter Corporation Public Co., Ltd, in Hero Experience Col., Ltd, totaling to Baht 325.0 million, representing 37.5 percent of the registered capital and Demeter Innovation Co., Ltd (subsidiary) invested in Blue Finix Digital Co., Ltd. totaling to Baht 74.37 million, representing 30 percent of the registered capital. Investments in associates are accounted for in the consolidated financial statements according to the equity method, which comes out to Baht 321.04 million.

13.1.2 Liabilities

In 2015, 2016, and 2017, the Company had total liabilities of Baht 109.32 million and Baht 57.58 million and Baht 28.98 million, respectively. As of the end of 2015, the Company's total liabilities

decreased by Baht 63.66 million or 36.80 percent, which the main cause was due to the Company returned a short-term bill of Baht 150 million in April 2015.

As of the end of 2016, the Company's total liabilities decreased by Baht 51.74 million or 47.33 percent from the end of the year 2015, which was a decrease of trade accounts payable of Baht 47.57 million from the recognition of accrued expenses. From the accrued expense record, compensation for damages and the consent to terminate the agreement before the due date of Baht 16.91 million and the compensation to the customers Baht 24 million due to the contract was terminated before the expiration.

As of the end of 2017, the Company's total liabilities decreased by Baht 28.60 million or decreased by 49.67 percent from the end of 2016. Mainly due to a decrease of Baht 21.78 million in advance payment, repayment for short term loan from Aukkrarawat Plant Renewable Energies Co., Ltd (subsidiary) of Baht 0.30 million, and payment of long term loan of Baht 1.92 million.

13.1.3 Shareholder's Equity

In 2015, 2016, and 2017, the Company's shareholder's equity was Baht 949.37 million and Baht 918.89 million and Baht 780.38 million, respectively. As of the end of 2015, the Company's total shareholders' equity increased from 2014 from Baht 826.59 million or an increase of 477.85 percent from the increase in 5 paid-up capital, totaling Baht 325.85 million. However, the Company has a total loss for the year 2015 of Baht 909.12 million.

As of the end of 2016, the Company's total shareholders' equity decreased by Baht 30.48 million or 3.21 percent from the previous year. The Company's total retained loss increased by Baht 85.73 million or 8.77 percent from the end of fiscal year 2015. The total loss for the year 2016 was Baht 86.30 million.

As of the end of 2017, the Company's total shareholders' equity decreased by Baht 138.52 million or a decrease of 15.07 percent from the total paid up capital by the amount of Baht 70.46 million. However, the Company had Baht 208.97 million total loss for the year 2017.

13.2 Performance Analysis

13.2.1 Revenue

The total revenue from the operation of the Company for the year 2015, 2016 and 2017 was Baht 228.84 million and Baht 193.36 million and Baht 43.71 million, respectively.

In 2015, the Company's total revenue increased by Baht 90.96 million or 65.97 percent from the previous year. This was an increase of Baht 86.43 million from the sponsorship of the Thailand Classic Golf Tournament. However, the Company's co-production revenue decreased Baht 29.59 million or 21.46 percent due to the economic situation and the higher competition in the satellite TV and digital TV business.]

In 2016, the Company's total revenue decreased by Baht 35.48 million or 15.50 percent from the previous year. This was a decrease in the revenue from sponsorship of the sports event, amounting to Baht 86.43 million and Baht 59.38 million due to the termination of the agreement. However, the Company had revenue from sale of lighting system and air conditioning system from the ESCO projects during the year of Baht 93.27 million.

13.2.2 Investment Cost and Gross Profit

The total investment cost of the Company for the year 2015, 2016 and 2017 was Baht 357.97 million and Baht 144.41 million and Baht 22.39 million, respectively, representing 156.43 percent and 74.69 percent, respectively 51.22 percent of total operating revenues.

In 2015, the total investment cost increased by Baht 241.41 million or an increase of 207.11 percent from the previous year. The increase in cost of production rights was Baht 116.4 million due to the amortization of royalties from the media agency. Since February 2015, the cost of broadcasting rights has been increased to Baht 39.18 million. 85.83 million baht from the Thailand Classic Golf Competition in February 2015.

In 2017, the total cost decreased by Baht 122.02 million or 84.50 percent from the same period of last year. The cost of production and broadcasting was Baht 44.94 million and the decrease in cost of sales of lighting system and air conditioning system amounting to Baht 77.08 million.

Gross Loss

In 2015, the company had a gross loss of Baht 129.13 million, or 56.43 percent of total operating revenues, as a result of a contingency loss of Baht 124.67 million due to high competition, resulting in a decrease in rental fee continuously.

In 2016, the Company had a gross profit of Baht 48.94 million or 25.31 percent of total operating revenues. The gain from the joint production was Baht 30.31 million, the broadcasting fee was Baht 2.44 million, and the profit from the sale of lighting system and air conditioning system was Baht 16.19 million.

In 2017, the Company had a gross profit of Baht 21.32 million or 48.78 percent of total operating revenues. The gross profit was Baht 19.80 million. The broadcasting fee was Baht 1.52 million.

13.2.3 Administrative Expenses

For the years 2015, 2016, and 2017, the Company had total expenses of Baht 791.16 million, Baht 181.59 million and Baht 245.63 million, respectively.

In 2015, the company had administrative expenses of Baht 190.27 million, an increase of Baht 171.24 million or an increase of 899.84 percent from the previous year. Legal reserve and financial advisory fee

Baht 11.99 million, media business hire contract Baht 6.11 million, consultant fee Baht 4.80 million, Office rental and service fee Baht 3.48 million, Depreciation of assets Baht 3.53 million. The reserve for doubtful accounts is 2 items as follows:

1. Reserve for doubtful accounts of sports activities of Baht 61.21 million, which is a defaulted trade receivable from the sports sponsorship of the Company, amounting to Baht 86.43 million regarding to Thailand Classic Golf Tournament Project. The reason that the debtor has defaulted from the debtor is to collect support from the sponsors and not send the money to the company in accordance with the conditions specified in the contract. The Company filed a civil suit on July 15, 2016. The court subsequently made a mediation on March 8, 2017.

2. Provision for doubtful accounts of Baht 41.16 million was caused by default of 94 Entertainment Co., Ltd. which was co-production receivable. As such debtors defaulted on the debt restructuring agreement and debt repayment agreement in November 2015, the Company has set aside allowance for doubtful accounts receivable in full amount in accordance with the Company's allowance policy.

In 2016, the Company's total operating expenses were Baht 108.96 million, a decrease of Baht 81.31 million or 42.73 percent from the previous year. Audit fee: Baht 5.16 million, Office rental and service fee: Baht 3.57 million, Service fee: Baht 8.72 million, Audit fee and internal audit fee: Baht 2.88 million, Consultant: Baht 7.57 million, Other fee: Baht 4.31 million, Asset depreciation: Baht 5.15 million and Doubtful account: Baht 19.78 million.

The allowance for doubtful accounts was Baht 15.43 million and Baht 4.35 million, respectively. In addition, in 2016, the Company set aside allowance for doubtful accounts. Baht 41.44 million due to provisioning of broadcast rights, EDGE SPORT, and executive remuneration of Baht 29.98 million.

In the year 2017, the Company's total operating expenses were Baht 108.96 million, a decrease of Baht 3.73 million or 3.42 percent from the previous year. Salaries and employee benefits of Baht 11.13 million, depreciation and amortization of Baht 24.41 million, professional services of Baht 10.81 million, office rental and service expenses of Baht 4.31 million.

Also, there are other expenses:

1. Intangible asset impairment was recorded at Baht 16.87 million from the cancellation of the agreement.
2. Loss on goodwill impairment of Baht 20.73 million as a result of the revaluation of the biogas power plant project in Suphanburi province, operated by Aukkrarawat Plant Renewable Energies Co., Ltd (a subsidiary company)
3. Loss on impairment of investment in associated company from the equity method of Baht 65.33 million from investment in associated company. Demeter Corporation Public Co., Ltd., invested

in Hero Experience Co., Ltd. and Demeter Innovation Co., Ltd. (a subsidiary) invested in Blue Finix Digital Co., Ltd.

4. Management Fee of Baht 24.06 million.

13.2.4 Net Profit (Loss)

In 2015, the Company had a net loss of Baht 909.12 million, a decrease of Baht 910.26 million from the end of 2014, mainly due to the events of May 22, 2014, as many of the channel leasing companies started to default on the payments and some have begun to return satellite television. Nonetheless there were changes to the rental price as some of the channels began to reduce their prices continuously. The policy of organizing satellite TV channels of government agencies became stricter in 2015, making it difficult to sell advertising time to the hundreds of satellite television channels available in the market. This has a direct impact on the Company's revenue. The cost of co-production is fixed because it is a long-term contract, resulting in the Company to negotiate the cancellation of the co-production contract for 16 satellite channels before MTV. The compensation and damages from the termination of this agreement amounted to Baht 151.90 million and the allowance for impairment of intangible assets Baht 312.44 million. The Company also has administrative expenses, executive compensation and increased financial costs.

In 2016, the Company had a net loss of Baht 86.30 million, mainly due to the provision for impairment of intangible assets (EDGE SPORT) of Baht 41.44 million. The administrative expenses and management compensation are higher than gross profit. In the year 2016, the Company had a gain from disposal of investment in associated company of Baht 19.80 million due to the fact that Demeter Power Co., Ltd. (a subsidiary company) entered into a contract to sell a number of ordinary shares of WIND. On September 29, 2019, WIND signed a transfer of 1,000,000 shares of WIND shares, representing 25 percent of WIND's registered capital. In the consolidated financial statements, the gain on disposal of these investments was Baht 19.80 million. The FAV was registered in WIN's shareholders register with the Ministry of Commerce on October 20, 2016. As a result, the Company received Baht 215,000,000 of paid-up share capital on October 25, 2016.

In 2017, the company had a net loss of Baht 208.97 million. The main reason was the gross profit of Baht 21.32 million and the administrative expenses of Baht 105.23 million. The allowance for impairment of intangible assets was Baht 16.87 million, Goodwill impairment of Baht 20.73 million, loss on impairment of investment in associated company was Baht 65.33 million, the management's remuneration of Baht 24.06 million, and a recognized loss from the associated companies of Baht 13.00 million.

13.2.5 Liquidity Analysis

At the end of 2015, the Company's cash and cash equivalents decreased by Baht 56.59 million. Cash flow from financing activities was Baht 1,479.84 million, cash received from capital increase was Baht 1,643.89 million and cash paid for short-term promissory notes was Baht 183.14 million. A promissory note was issued by the Company for a loan of Baht 150 million for a period of 120 days, bearing interest at the rate of 5.00 percent 80.5 - percent per annum to make an investment for the event Golf Thailand Classic in February 2015 and as working capital for the Company. The Company repaid part of the principal and interest at the maturity date in March 2015 for the promissory note holders of Baht 82.91 million and the term of the promissory note of Baht 100 million for a period of 30 days. 4.00- 5.00 percent per annum. The total repayable principal and interest due in April 2015 was Baht 100.24 million.

At the end of 2016, the Company's cash and cash equivalents decreased by Baht 72.86 million. Cash flow from financing activities was Baht 42.94 million, which was cash received from capital increase of Baht 44.72 million and cash paid for financial lease liabilities of Baht 1.78 million.

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

1. Operating loss of Baht 8.10 million, as a result of the Company's future consultancy fee for energy projects.
2. An increase in assets under finance lease agreements of Baht 98.20 million resulting from the sale of lighting and air-conditioning systems. Under each contract, the Company will receive a monthly payment of 84 contracts.
3. An increase in non-current assets of Baht 64.31 million, resulting from the deposit of land of the Philippines Energy Project of Baht 22.40 million and the payment of the second share payment in advance to Aukkrarawat Plant Renewable Energies Co., Ltd amounting to Baht 37.92 million (8,619 shares). The second share payment will be transferred in January 2017.

In addition, the Company's cash flow came from investment activities of Baht 152.85 million, consisting of the sale of investment in Winchai Co., Ltd amounting to Baht 215 million and sale of investment in subsidiaries Baht 57.88 million. Nonetheless, during the year, the Company also made an investment in Aukkrarawat Plant Renewable Energies Co., Ltd totaling of Baht 34.36 million.

At the end of 2017, the Company's cash and cash equivalents decreased by Baht 8.31 million. Cash flow from financing activities was Baht 68.54 million, cash received from the capital increase was Baht 70.46 million and cash paid for financial lease liabilities was Baht 1.92 million.

However, the Company's net cash flow used in operating activities was Baht 33.50million. Cash flow from operating activities decreased as a result of net loss, while non-cash adjustments which did not affect the cash flow includes depreciation, amortization of intangible assets and allowance for impairment.

Moreover, the cash flow from investing activities decreased by Baht 43.35million. The decrease in cash flow from investing activities resulted from the payment for investment in Aukkrarawat Plant Renewable Energies Co., Ltd (a subsidiary company) amounting to Baht 37.92million, the payment for investment in Hero Experience Co., Ltd and Blue Finix Digital Co., Ltd (an associated company) totaling Baht 399.37 million, cash paid for short-term loans to other companies totaling to Baht 10.76million, and cash received from short-term investments totaling to Baht 398.70million.

13.2.6 Financial Ratios

The Company's liquidity ratio for FY2015, FY2016 and FY2017 is 6.88times, 13.66times and 12.49 times respectively. The liquidity ratio is high due to in 2015, the Company had a short-term investment of Baht 502.07 million, which was received from the capital increase during the year, and in addition the current liabilities decreased due to repayment of short-term loans plus interest. As for the year 2016, the Company had short-term investments of Baht 582.40million due to the proceeds from the sale of investments in associates. Meanwhile, current liabilities decreased due to the decrease in account payable and other payables from FY2015. The number for Equity holders in 2016 decreased from 0.12times in 2015 to 0.06times. While in 2017, the Company had a temporary investment of 184.16million baht from the sale of some temporary investment in 2017, while current liabilities decreased because accounts payable and other current payables decreased from 2016, which resulted in a debt-to-equity ratio for 2017 to decrease 0.06times from 2016 to 0.04times.

The Company has a trade account receivable turnover ratio between 2015, 2016 and 2017 at 5.19 times and 1.97 times and 0.45 times, respectively. In 2015, the turnover ratio of trade receivables decreased due to the company's customers are affected by digital TV and high competition in the television business. As a result, the average collection period was increased to 71 days, 183 days and 792 days, respectively. However, the Company has set aside allowance for doubtful accounts for long outstanding debts.

In 2015, the gross margin narrowed down from 15.46 percent in FY2014 to 56.43 percent due to the higher the competition of the television business, the more it affected the customers of the company. As a result, the revenue from joint production decreased. The co-production costs are fixed costs due to long-term contracts, which covers the compensation and damages from the termination of the contract before maturity. While higher administrative expenses, higher financial costs, and expenses from various reserves negatively affected the net profit margin return on equity and the return on assets

In the year 2016, the gross margin increased from 2015 (56.43) percent to 25.31. This was due to the Company has terminated the satellite television business by canceling the joint production agreement before maturity and started investing in the energy business. The revenue from sales of lighting and air conditioning systems gives a better return than the satellite TV business. As a result the return on equity and the return on assets was better than the year 2015.

In the year 2017, the gross margin increased from 2016 at 25.31 percent to 48.78 percent. This was mainly due to the Company has terminated the satellite television business by canceling the production agreement before the due date which resulted in a decrease in revenue. However, the gross margin was still higher than 2016.

13.2.7 Performance of Company's Subsidiaries

The performance of three subsidiaries for the year ended December 31, 2017 are as follows:~

Description (Unit: Baht Million)	Separated Financial Statements		
	Demeter Power Co., Ltd	Demeter Innovation Co., Ltd	Aukkrarawat Plant Renewable Energies Co., Ltd
Revenue	-	7.44	-
Cost	-	7.20	-
Gross Profit	-	0.24	-
Other Income	2.42	3.09	0.02
Administrative Expenses)1.18((75.30)	(12.82)
Executive Compensation	(0.47)	-	-
Financial Costs)0.01((1.53)	(0.01)
Net profit (loss) for the year	0.76	(73.50)	(12.81)

Note:

1. Since each of the subsidiaries has revenue from the business of not more than 10 percent of total revenues, no financial information is provided in the consolidated financial statements as disclosed in Note 25 to the financial statements.
2. On March 15, 2016, the Company sold its investment in Demeter ICT Co., Ltd. to a third party, causing the Company to cease its control substantially from the date of sale of the investment.
3. The Company has approved the investment in the biogas power plant project in Suphanburi province. The Company purchased a total of 16,820 shares or 33.64 percent of the total shares of Aukkrarawat Plant Renewable Energies Co., Ltd. Therefore, the consolidated financial statements include the financial statements of the subsidiaries. Although the Company holds less than 50 percent of the shares, the Company can control such companies.
4. Demeter Capital Co., Ltd, owned by Demeter Power Co., Ltd, has registered its dissolution with the Ministry of Commerce on September 14, 2016, pursuant to the resolution of the shareholders' meeting held on September 1, 2016.

1. Demeter Power Co., Ltd was incorporated as a limited company on February 9, 2015. Demeter Corporation Public Co., Ltd holds 100 percent of the shares. The Company aims to be a solar panel manufacturer and service provider for renewable energy projects focusing, on solar energy and wind power. The company plans to build a solar cell and crystalline silicon PV modules at Amata City Industrial Estate, Rayong, using technology from China. In addition, the Company bought 12,500 shares, representing 25 percent of the company's registered capital from Winchai Co., Ltd., which operates wind energy. The Company sold the entire shares to First Alpha Venture Co., Ltd. at a total of Baht 215 million baht on September 29, 2016, resulting in a gain on sale of investment of Baht 19.80 million from the operation. However, the Company has not recognized revenue from such business as the solar cell plant project is undergoing a thorough investigation of the status of the joint venture, both the financial and product quality will co-produce, which is in the process of resolving the issue of being removed from the list of Tier-1 manufacturers.

2. Demeter Corporation Public Co., Ltd holds 100% shares of Demeter Innovation Co., Ltd (formerly Demeter Media Co., Ltd), since February 5, 2015. The Company operates 1 satellite television channel and has earned a license to operate broadcasting or television to provide television broadcasting services from the NBTC. The Company will receive revenue from co-production of programs. However, due to the increasing competition in the satellite TV business and the multi-channel digital TV, consequently channel rental prices started to decline continuously. Meanwhile, the company has a fixed rental cost, therefore resulting in the gross margin to be very low. The Company recorded a net loss of Baht 73.50 million for the year 2017.

3. On 16 December 2016, the Board of Directors Meeting No. 10/2559 passed a resolution approving the investment in the biogas power plant project in Suphanburi province. The Company has purchased 16,820 shares of Aukkrarawat Plant Renewable Energies Co., Ltd ("Aukkrarawat") totaling Baht 290 million or 33.64 percent of the company's total shares. Therefore, the consolidated financial statements of such subsidiary has been prepared. Although the Company holds less than 50% of the Company's share capital, the Company can control such company. However, as of 31 December 2016, the Company had a net loss of Baht 12.81 million.

13.2.8 Obligations and off-balance sheet obligations

1. Obligations and liabilities under the agreement to determine the repayment method under the agreement to buy airline management rights. As of 31 December 2017, the outstanding balance of Baht 299.45 million was comprised of the following:

a. Debtors under Debt Restructuring Agreement as of 31 December 2017 amounting to Baht 72.01 million (including VAT) are as follows:

Description	Unit: Baht Million
Debtors under debt restructuring agreement	98.16
Deduct: Payment receipt	(26.15)
Debtors under debt restructuring agreement as of 31 December 2016	72.01

b. The contract value of Baht 227.44 million (excl. VAT) under the agreement to purchase airtime management rights is as follows:

Description	Unit: Baht Million
The fair value of the right to sell European tour ads evaluated by a financial advisor.	254.79
Deduct: Payment receipt	(27.35)
Value under debt repayment agreement as of December 31, 2016	227.44

The Company considered not to recognize the revenue already incurred in the financial statements. The Company will recognize revenue when the Company receives payment under the above contract. (Record as cash basis).

2. The Company has entered into a space rental agreement with an unrelated company. The lease term of 3 years expires on November 30, 2020. The rental rate is Baht 174,250 per month.

The Company entered into service agreements with unrelated companies. The lease term is 3 years. The contract expires on November 30, 2020. The service fee is Baht 139,400 for the first year, Baht 156,825 for the second year and Baht 174,250 for the third year.

13.3 Brief overview of operations and key changes

The management team agreed that the Satellite TV business is no longer a profitable business, unlike how it was in the past. The management team needs to find a way to reduce the damage that will occur in the future, if the Company wishes to continue to operate satellite TV business. The best way to reduce the cost for the Company is to restructure the business to reduce costs in the future. The Company has issued a letter of request to return the broadcasting or television broadcasting licenses to operate national or non-national broadcasting networks to the National Broadcasting Telecommunications Commission (NBTC), No. DCORP 071/2559, dated May 24, 2016 as the Company feels the network license is no longer beneficial to the Company. Moreover, technology today goes far

beyond utilizing such networks with high construction costs. While for any broadcast channel license the Company finds no longer beneficial to the Company, the Company will not renew when the license becomes expired.

The Company has a policy to manage its existing assets and copyrights to expand its revenue stream, thus to find new business opportunities. The company aims to create added value for the organization and maximize shareholder value, in which the company sees opportunities in the renewable energy business due to the domestic demand for electricity is expected to increase every year. The government has a policy to continuously promote the generation of electricity from renewable energy to reduce the risk of reliance on fossil fuels and reduce pollution from power generation. The energy produced is clean, it is a naturally occurring energy, and it does not harm the environment. Electricity is a vital infrastructure for life and the economic development to meet the expansion of population as well as doing business. In addition operating in these types of businesses can ensure a stable and fixed income, there is low risk, the government offers contract to buy electricity, and there are proper technologies to be used. In December 2016, the Company invested in the biogas power plant project in Suphanburi province, operating by Aukkrarawat Plant Renewable Energies Co., Ltd. The investment of the project is divided into two parts as follows:

Part 1: Acquisition of 25,000 ordinary shares from the existing shareholders, representing 50% of the registered capital of such company, at a price of Baht 4,400 per share, totaling Baht 110 million.

Part 2: Investment budget for the improvement of the supply and installation of machinery in the project in the total amount not exceeding 180million baht.

On April 21, 2017, Aukkrarawat Plant Renewable Energies Co., Ltd ("A Subsidiary Company") requested to stop selling electricity to the PEA in order to improve its power plants, machinery and equipment. On July 14, 2017, the PEA acknowledged the request and informed the subsidiary company to do as they request as long as they provide a detailed update on machinery and equipment set up. If the electricity capacity is increased, it must be approved by the PEA by submitting details of the capacity expansion plan or extension of the power system to the PEA for consideration prior to commencement of operation for not less than 3 months.

During Aukkrarawat's renovation of the project area, The Company discovered that the communities in the vicinity of the project receive fewer wastewater from the project. It was further explored and found that (1) in the community where the waste water from Aukkrarawat project can be treated, there is a new power plant project where the community may consider receiving wastewater from the new project, and (2) the community is receiving water from other similarly-located power plants in the same neighborhood, thus some other power plants transport their waste water to the community, as a result, there is no need to go directly to the power plant to receive waste water from the project.

From the discoveries, the Board of Directors has been informed about the change in the project and has assigned the Company's management team to study the impacts and solutions. Subsequently, the Board received the management's team findings on the impact of the changes in the community receiving wastewater, as well as other possibilities of wastewater treatment, transportation of wastewater to community areas, and the installation of wastewater treatment system as the impacts of these changes has resulted in increased cost of the project. Therefore from the study of the increased cost, the most feasible method is to transport wastewater out of the project, but the project costs will increase significantly by about 30percent.

The Board of Directors has considered the additional facts and the results of the study on the changes of cost structure. It is found that the further operation of the project based on the former approach may result in the Company not receiving benefits to the Company and the shareholders who approved to invest the project. As a result, the management team has studied to find solutions to minimize the impact of this project, such as the relocation of power plants, to reduce costs or to negotiate with other shareholders to amend the investment in the project, with possibilities of canceling investment or even to sell the project to other investors who may be interested. The Board will consider the amendment within February 2018.

As the Company has informed the Board of Directors of the results of the study on the cost structure of the investment in Aukkrarawat Plant Renewable Energies Co. , Ltd, the Board has considered the additional facts and the results of the study. It was found that the continuation of the project on the basis of the existing guidelines could result in no benefit to the Company and the shareholders who approved to invest the project. Therefore, the management team has studied to find solutions to minimize the impact of this project. The Board will consider the amendment within February.

The Board of Directors meeting has considered the issue and have agreed that to continue to implement the project, based on the same approach or even with new solutions, consequently, the Company will not receive its shareholders will not receive benefits from making this investment. As a result, the verdict is to cancel the investment or to sell the project. The company will continue to seek investors who are interested in the project.

In addition, the company has implemented energy saving projects for customers, by providing Measurement Services, Project design, Supply and installation of equipment, and Energy Saving after-sales Services. In August 2016, the Company signed an electric light contract and air conditioning systems with one unrelated company. The work order and inspection are completed. The Company will receive 84 monthly installments of Baht 1,000,000 per installment (excluding VAT). The first installment will be in September 2016 and on November 11, 2016 additional installments will be made in phase 2-1. The Company will receive monthly installments of 84 installments of 407,853 (excluding VAT) starting January 2017.

However, in September 2016, Demeter Power Co., Ltd (a subsidiary) entered into a 25% sales agreement with Winchai Company Limited (WIND) to sell its shares to First Alpha Venture Company Limited (FAV) at Baht 215 million.

Attachment

Attachment 1

Details on Directors, Executives, Controllers and Corporate Secretary

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
1. Mr. Suthep Liumsirijarern - 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	64	- 1989 Post-Graduate Diploma, Hydraulic Engineering, Delft, Netherlands - 1978 B.Sc. in Civil Engineering, Chiang Mai University - DAP 96/2012 - ACP 39/2012	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u>		
					November 13, 2015-Present 2014	Director Chairman of Board of Directors	Demeter Corporation Public Co., Ltd PTT Exploration and Production Public Company Limited
					<u>Non-listed companies /Organizations</u>		
					2015 2014 2013 2011	Management Committee Management Committee Advisor Permanent Secretary Vice President of Energy Policy and Planning Office	SK Shop Co.,Ltd. B Plus Enterprises Co.,Ltd Office of the Prime Minister Ministry of Energy Ministry of Energy
2. Mr. Numchai Lowattanatakul - Independent director, Audit Committee, Vice Chairman of Board of Directors, Chairman of the Corporate Governance and Social Responsibility Committee and Chairman of the Human Resource	62	- 2004 Master of Business Administration, Kasetsart University - 2001 Diploma of Mini MBA, Kasetsart University - 1986-1987 Diploma of Mains Operation & Maintenance Training,	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u>		
					February 26, 2016 -Present	Director	Demeter Corporation Public Co., Ltd
					<u>Non-listed companies /Organizations</u>		
					2012-2015	Governor	Provincial Electricity

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
Remuneration Committee - Appointed as director on February 26, 2016 - Appointed as independent director and , Vice Chairman of Board of Directors on April 1, 2016 - Appointed as Chairman of the Human Resource Remuneration Committee on November 10, 2016 - Appointed as member of Audit Committee on November 3, 2017 - Appointed as Chairman of the Corporate Governance and Social Responsibility Committee on November 10, 2017		Germany - 1978 Bachelor of Engineering Program in Electrical Engineering, Chulalongkorn University - DCP 140/2010			2011	Deputy Governor (Planning and System Development)	Authority Provincial Electricity Authority
3. Mr. Krisda Hutaserani - Independent director and Chairman of The Audit Committee - Appointed on July 13, 2016 (an audit committee who has	63	- M.S. Economics (Honors) from School of Economics, University of the Philippines (under Rockefeller Foundation Scholarship)	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor child</u> -None-	None	<u>Listed Company</u> July 13, 2016- Present 2009-2014	Independent director and Chairman of The Audit Committee Chairman	Demeter Corporation Public Co., Ltd Adamas Incorporation

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
an experience on reviewing the financial statements and was appointed as Chairman of the Audit Committee of SMC Power Co., Ltd.)		- B.A.Economics (Quantitative Economics), Chulalongkorn University Bangkok - DAP 126/2016 - DCP 258/2018			1995-2001 <u>Non-listed companies /Organizations</u> Present	Executive Vice President Director and Chairman of Advisory Board Chairman	Public Co., Ltd SCIB Public Co., Ltd SCMB Co., Ltd Lanna Thai Concepts Company Limited
4. Mr. Chainoi Puankosoom - Independent director, member of audit committee and member of the Human Resource Remuneration Committee - Appointed on December 12, 2017	68	- Master of Management, Sasin Graduate School of Business Administration Chulalongkorn University - Bachelor Degree in Higher Accounting California College of Commerce, U.S.A. - The Role of Chairman in Leading Strategic Risk Oversight 2017 - RCP 33/2014 - FGP 3/2011 - DAP 63/2007	1. <u>Self</u> 0.56 2. <u>Spouse</u> 0.03 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u> December 12, 2017-Present Present 2016-Present 2016-Present	Independent director, member of audit committee and member of the Human Resource Remuneration Committee Chairman of Board of Directors and Chairman of The Audit Committee Director Chairman of Board of Directors Independent Director and	Demeter Corporation Public Co., Ltd Ticon Industrial Connection Public Co., Ltd Nature of business: Industrial and Warehouse for Rent Tipco Asphalt Public Co., Ltd Golden Land Property

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
					2012-Present	Audit Committee Director Independent Director and Audit Committee Director	Development Public Co., Ltd Nature of business: Property development National Power Supply Public Co., Ltd Nature of business: Manufacture and distribution of electricity and steam
					<u>Non-listed companies /Organizations</u> 2016-Present	Director Independent Director	The Comptroller General's Department Petroleum Institute of Thailand
					2015-Present	Independent Director	Prima Marine Public Co., Ltd Nature of business: Operator of petroleum and chemicals tanker

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
5. Mr. Sorasak Saensombat - Independent Director and Corporate Governance and Social Responsibility Director - Appointed on November 10, 2017	61	- Master of Engineering (Traffic Systems Engineering and Transport), Chulalongkorn University - Bachelor of Engineering (Civil Engineering), Chiang Mai University - DCP 223/2016 - RCL 3/2016	1. <u>Self</u> 0.04 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u>	Independent Director, member of audit committee and Corporate and Social Responsibility Director	Demeter Corporation Public Co., Ltd
					<u>Company</u>		
					November 10, 2017- Present		
					<u>Non-listed</u> <u>companies</u> <u>/Organizations</u>		
					2016-2017	Director of Marine Department	Ministry of Transport
6. Mr. Teerawit Charuwat - Director, Risk Management Director, Corporate Governance and Social Responsibility Director, and Chief Executive Director: CEO	60	- Ph.D (Ph.D. Candidate) in Development Administration (International Program), Major in Policy and Management, National	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u>	CEO	Demeter Corporation Public Co., Ltd
					<u>Company</u>		
					September 7, 2017-Present		
					2003-2004	CEO	TOT Public Co., Ltd
					2003-2004	CFO	MCOT Public Co., Ltd

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
- Appointed as Director on July 13, 2016 - Appointed as Risk Management Director on May 15, 2017 - Appointed as CEO on September 7, 2017 - Appointed as Corporate and Social Responsibility Director on November 10, 2017 (Authorized Signatory Director)		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 - RCP 41/2017 - RML 3/2016 - DCPU 4/2015 - CDC 10/2015 - ACP 11/2006 - DAP 43/2005			<u>Non-listed companies</u> <u>/Organizations</u> July 3, 2017-Present 2016-Present 2013-2016 2007-2008 2006	Chairman of Board of Directors Lay Judge Director Executive Committee and Acting President Chairman	Blue Finix Digital 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.

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
		- DCP 67/2005 - IOD Chartered Director					
7. Mr. Prachuab Ujijn - Director, Corporate Governance and Social Responsibility Director, Chairman of Risk Management Committee, and Chairman of Investment Committee - Appointed as Director on May 15, 2017 - Appointed as Chairman of Risk Management Committee on May 15, 207 - Appointed as Chairman of Investment Committee on August 23, 2017 - Appointed as Corporate Governance and Social Responsibility Director on November 10, 2017 (Authorized Signatory Director)	67	- Master of Engineering (Electrical Engineering), University of Missouri- Columbia University, USA, 1976 - Bachelor Degree in Electrical Engineering, Chulalongkorn University, 1973 - Advanced Diploma Management Program, Harvard Business School, Boston, MA, USA, 2004 - Senior Diploma Executive Program Institute, Sasin Graduate School of Business Administration, Chulalongkorn University - RMP 1/2013 - DCP 73/2006	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> 2017-Present 2014-2015 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2014-2016 2013-2014 2012	Director and Investment Advisor Director Chairman of Board of Directors Directors Chairman of Board of Directors and Director	Demeter Corporation Public Co., Ltd Ratchaburi Electricity Generating Holding Public Co., Ltd Ratchaburi Power Co., Ltd Electricity Generating Authority of Thailand Ratch O&M Co., Ltd

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
8. Pol.Maj.Gen. Prayont Lasua - Director, Human Resource and Remuneration Director, and Risk Management Director - Appointed as Director on August 23, 2017 - Appointed as Human Resource and Remuneration Director on August 23, 2017 - Appointed as Risk Management Director on August 23, 2017 (Authorized Signatory Director)	64	- Master of Public and Private Management, National Institute of Development Administration (NIDA) - Master of Political Science, Chulalongkorn University - Bachelor of Public Administration, Royal Police Cadet Academy (Pol. Cdt. 31) - DAP 144/2018	1. <u>Self</u> 0.17 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> 23 Aug. 2017- Present <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2012-2014 2009-2012 2004-2009	Director Commander of the Metropolitan Police Bureau Commander of the Investigation Division Provincial Police Region 3 Deputy Commander of the Crime Suppression Division	Demeter Corporation Public Co., Ltd Royal Thai Police Royal Thai Police Royal Thai Police
9. Mr. Thanarath Thanavutwatthana - Director - Appointed as Director on May 15, 2017 (Authorized Signatory Director)	32	- Bachelor's Degree in Communication Arts, Bangkok University - Holmes College Certificate, International Business Management, Melbourne, Australia - DAP 143/2017	1. <u>Self</u> 0.002 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> 15 May 2017- Present	Director	Demeter Corporation Public Co., Ltd

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
		-DCP 255/2018			<u>Non-listed companies /Organizations</u> 2016-Present 2015-Present 2013-Present 2011-2013	Director Chairman of Board of Directors Online Marketing Advisor Marketing	PTC Supplement Co., Ltd TDC Digital Co., Ltd PFO Food Co., Ltd. GT Group Co., Ltd.
10. Mr. Chotiphun Tiaviwat - Director - Appointed as Director on November 10, 2017	31	- Master of Arts, Business and Managerial Economics (First Class Honors), Chulalongkorn University - Bachelor of Economics, Chulalongkorn University - DAP 114/2015	1. <u>Self</u> 4.26 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u> November 10, 2017-Present 2014-2017 <u>Non-listed companies /Organizations</u> 2012-2016 2010-2014 2009-2011	Director Vice Chairman of Board of Directors Finance Director Assistant Manager Advisor to the Managing Director	Demeter Corporation Public Co., Ltd Demeter Corporation Public Co., Ltd Sugar Hill Global Capital Co., Ltd DBS Vickers Securities (Thailand) Co., Ltd Premisri Development Co., Ltd

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
11. Patsak Osathanugrah - Appointed as Director on August 13, 2014 (Resigned on November 24, 2017)	57	- Master of Business Administration, Southeastern University, USA - Bachelor's Degree in Business Administration, Bangkok University - DAP 114/2015	1. <u>Self</u> 0.01 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	Yes (Relative to Mr. Anit Osathanugrah)	<u>Listed</u>		
					<u>Company</u>		
					2016-2017	Vice Chairman of Board of Directors	Demeter Corporation Public Co., Ltd
					2014-2016	Chairman of Board of Directors	Demeter Corporation Public Co., Ltd
					<u>Non-listed</u> <u>companies</u> <u>/Organizations</u>		
					2012-2013	Advisor to the Minister of Finance, Mr. Kittiratt Na- Ranong	Ministry of Finance
					2011-2012	Assistant Secretary of the Education and Sports Commission	National Legislative Assembly of Thailand
					2009-2010	Member of the subcommittee to consider projects of the Board of Investment of Thailand	BOI : The Board of Investment of Thailand
					2008-2009	Member of the subcommittee to consider the improvement on the projects of Metropolitan Waterworks Authority	Metropolitan Waterworks Authority

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
12. Mr. Anit Osathanugrah - Director - Appointed as Director on September 4, 2014 (Resigned on January 23, 2018)	45	- Master of Arts (Political Science), Ramkhamhaeng University - Bachelor of Public Administration, Ramkhamhaeng University - DAP 114/2015	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	Yes (Relative to Mr. Patsak Osathanugrah)	<u>Listed</u> <u>Company</u> 2014- January 23, 2018 2014-2017 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2013-Present 2004-Present	Director Chief Executive Officer Chief Executive Officer Managing Director	Demeter Corporation Public Co., Ltd Demeter Corporation Public Co., Ltd Digital Hub Co., Ltd. ANIT Group Co., Ltd.
13. Mr. Chamsak Thanataecha - Director - Appointed as Director on August 10, 2016 (Resigned on August 22, 2017)	49	- Master of Business Administration, Major in Finance, Thammasat University - Bachelor of Business Administration, Major in Finance, Thammasat University - Successful Formulation & Execution of Strategy (SFE) 10th Class of 2010 - Corporate Governance of Capital Market	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> 2016-2017 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2011-Present 2008- 2011	Director Director and Managing Director Head of Investment Advisory	Demeter Corporation Public Co.,Ltd Yuanta Securities (Thailand) Co., Ltd. Thanachart Securities Co., Ltd.

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
		Intermediaries (CGI) 7th Class of 2015 - DAP 139/2017					
14. Mr. Kunpoj Kittiratsiri - Director - Appointed as Director on August 10, 2016 (Resigned on October 12, 2017)	45	- Bachelor of Business Administration, Major in Marketing, University of the Thai Chamber of Commerce - DAP 139/2017	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> 2016-2017 <u>Non-listed</u> <u>companies</u> <u>/Organizations</u> 2009- Present	Director Chairman of Executive Board	Demeter Corporation Public Co.,Ltd GCT Media Co., Ltd.
15. Mr. Patarapol Waranimman - Independent director and Audit Committee director - Appointed as independent director on May 15, 2017 (Resigned on December 1, 2017)	56	- Master of Business Administration, Keller Graduate School of Management, Chicago, Illinois, USA - Bachelor of Science, Purdue University, West Lafayette, Indiana, USA	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed</u> <u>Company</u> May 15, 2017- December 1, 2017 April 24, 2015- November 13, 2015 2001-2014	Independent director and Audit Committee director Independent director and Audit Committee director Vice management Director	Demeter Corporation Public Co.,Ltd Demeter Corporation Public Co.,Ltd SCIB Public Co., Ltd

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
					<u>Non-listed companies /Organizations</u> 2017-Present 2016-Present 2001-2002	CEO Chairman Managing Director	SO Tank Cleaning Terminal Co., Ltd. Health Magnet Co., Ltd. Standard Charter Bank (Singapore)
16. Mr. Pacharasut Sujarittanonta - Independent director and member of The Audit Committee - Appointed as Director on December 16, 2016 (Resigned on October 27, 2017)	36	- 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 - DAP 139/2017	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor</u> -None- <u>child</u>	None	<u>Listed Company</u> 2016- 2017 <u>Non-listed companies /Organizations</u> 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

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
17. Mr. Apichet Bhusry - Director - Appointed as Director on May 12, 2015 (Resigned on May 1, 2017)	30	- Master of Arts, Business and Managerial Economics, Chulalongkorn University - Bachelor of Economics, Chulalongkorn University - DAP 126/2016	1. <u>Self</u> 0.94 2. <u>Spouse</u> 0.25 3. <u>Minor child</u> -None-	None	<u>Listed Company</u> 2015- 2017	Director	Demeter Corporation Public Co., Ltd
					<u>Non-listed companies /Organizations</u> 2013-Present	Investment Director	Mneme Global Capital INC.
					2012-Present 2010-2014	Director and Co-Founder Assistant Manager	Gourmet Town Co., Ltd DBS Vickers Securities (Thailand) Co. Ltd.
18. Ms. Kulthida Verathaworn - Director of Business Development and Company Secretary - Appointed as Company Secretary on September 1, 2016 - Appointed as Director of Business Development on November 10, 2016	33	- Master of Arts, International Economics and Finance, Chulalongkorn University - Bachelor of Economics, Major: Quantitative Economics, (First Class Honors) Chulalongkorn University	1. <u>Self</u> -None- 2. <u>Spouse</u> -None- 3. <u>Minor child</u> -None-	None	<u>Listed Company</u> 2016-Present	Director of Business Development and Company Secretary	Demeter Corporation Public Co.,Ltd
					2015-2016	Project Coordinator	Myanmar Joint Venture Asset Department at PTTEP PLC
					2014	Project Coordinator	Myanmar Joint Venture Asset Department at PTTEP PLC

Name-Surname/ Position/Appointed date (Resigned date)	Age (years)	Educational Qualification	Shareholding in the Company (%)	Family Relationship among the Management	Work Experience in the Last 5 Years		
					Time Period	Position	Corporate Name/ Company/Business Industry
					<u>Non-listed companies /Organizations</u> 2014-2015	Executive Assistant to the Minister of Energy, H.E. Dr. Narongchai Akrasanee	Ministry of Energy
					2012-2014	Secretary and Executive Assistant to the Minister of Energy, H.E. Mr. Pongsak Ruktapongpisal	Ministry of Energy
					2011	Investment Development Analyst in Strategic Planning and Investment Department	PTT International Company Limited (A company of PTT Group)

* Information as at March 1, 2018

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 :		Associates :			Related :
		D POWER	D INNOVATION	Aukkarawat Plant Renewable Energies Co., Ltd.	Blue Finix Digital Co., Ltd.	Hero Experience Co., Ltd.	None
Mr. Teerawit Charuwat	2,3	-	-	-	1,2,3	2	-
Mr. Prachuab Ujjin	2,3	-	-	-	-	-	-
Pol. Maj. Gen. Prayont Lasua	-	-	-	-	-	2,3	-
Mr. Cholapan Vongsing	-	2,3	2,3	-	-	-	-
Mr. Sorrakrit Lathitham	-	-	2,3	-	2,3	-	-
Mr. Ekkawit Kaewwichian	-	-	-	-	2	-	-
Ms. Pichaya Ruktapongpisal	-	-	-	-	-	2,3	-
Mr. Niwat Chayakul	-	-	-	2,3	-	-	-
Mr. Chatchai Amornritvanich	-	-	-	2,3	-	-	-
Mr. Nat Kongpanichkul	-	-	-	2,3	-	-	-

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

Details of Directors of Subsidiaries

Information as at March 1, 2018

Subsidiaries Directors' Name	Subsidiaries			Associate	
	Demeter Power Co., Ltd.	Demeter Innovation Co., Ltd.	Aukkarawat Plant Renewable Energies Co., Ltd.	Blue Finix Digital Co., Ltd.	Hero Experience Co., Ltd.
Mr. Teerawit Charuwat	-	-	-	1,2,3	2,3
Mr. Prachuab Ujjin	2,3	-	-	-	-
Pol.Maj.Gen. Prayont Lasua	-	-	-	-	2,3
Mr. Cholapan Vongsing	2,3	2,3	-	-	-
Mr. Sorrakrit Lathitham	-	2,3	-	2,3	-
Mr. Ekkawit Kaewwichian	-	-	-	2	-
Ms. Pichaya Ruktapongpisal	-	-	-	-	2,3
Mr. Niwat Chayakul	-	-	2,3	-	-
Mr. Chatchai Amornritvanich	-	-	2,3	-	-
Mr. Nat Kongpanichkul	-	-	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 2017

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 four 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. Numchai Lowattanakul, Mr. Sorasak Saensombat and Mr. Chainoi Puankosoom, Audit Committee Members, and Mr. Ekkawit Kaewwichian, the secretary of the Audit Committee.

The Audit Committee fulfilled the responsibilities 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 2017, 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 2017, 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 2017. The Audit Committee had the same opinion 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 2017 according to the approved plan, which covered the significant operations of the Company.

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 an 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 the same opinion 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.3759 and/or Ms. Kannika Wipanut (Certified Public Accountant No. 7305) and/or Mr. Jirote Sirirote (Certified Public Accountant No. 5113) of Karin Audit Co., Ltd to serve as the Company external auditor for the year 2018. 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 responsibilities 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 2015-2017

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

- Auditor Mr. Jadesada Hungsapruek CPA Registration No. 3759
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 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 airtime, broadcasting 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 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									
Notes	Issued and paid-up share capital	Share premium	Share discount for debt to equity conversion	Share discount	Retained earnings (Deficit)		Total equity attributable to owner's of the Company	Non- controlling interests	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	-	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							
Notes	Separate						
	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
Gain on sales of investment in a subsidiary	5,012,478
	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

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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.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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DECEMBER 31, 2016

	(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
	<u>582,395,554</u>	<u>502,073,854</u>	<u>516,046,862</u>	<u>502,073,854</u>

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.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

12. Investments in associates

The movement of investments in associates for the year ended December 31, 2016 is as follows:

	(Unit : Baht)
	Consolidated
As at January 1, 2016	171,180,768
Purchase / Increase investment	24,687,500
Loss from investments in associates	(672,874)
Sale of investment	(195,195,394)
As at December 31, 2016	-

Details of investments in associate as at December 31, 2016 and 2015 consist of:

Associate	Nature of business	Thousand Baht									
		Thousand Baht		Investment Units		Shareholding		Investment			
		Issued and paid-up		of subsidiaries		(percentage)		Cost method		Equity method	
		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:

(Unit : Thousand Baht)								
Companies	Separate							
	Issued and paid-up				Dividend for the years			
	share capital		% of Holding		At cost		ended	
	2016	1015	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 Thanayatom Power Plant Co.,Ltd. and therefore Thanayatom 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	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</u> Allowance for impairment	(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	<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>

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	<u>65,011,816</u>	<u>606,600</u>	<u>64,897,816</u>	<u>592,600</u>

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	<u>11,606,580</u>	<u>9,596,348</u>	<u>9,602,219</u>	<u>9,210,099</u>

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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	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.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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|---------------|--|
| Other details | The Board of Directors, including the person assigned by the Board of Directors, shall have the following powers: <ul style="list-style-type: none">(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 Baht 10 per share. The main objective of DPower is to engage in the energy business and related

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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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.

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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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

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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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	-	193,356
Cost	(18,600)	(48,733)	-	(144,413)
Gross profit	30,314	2,436	-	48,943
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	-	228,844
Cost	(232,958)	(39,186)	(85,830)	-	(357,974)
Gross loss	(124,661)	(5,069)	600	-	(129,130)
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

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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

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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.

5.2 Independent Auditor's Report Year 2016-2017

**DEMETER CORPORATION PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
AND INDEPENDENT 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, 2017, 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 as at December 31, 2017, 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 issued by the Federation of Accounting Professions that is 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.

Goodwill and Investments in subsidiary

Risk

As discussed in Note 11 to the financial statements , during the year 2017, The Group recognized a loss on goodwill of Baht 20.73 million in the consolidated financial statements and recorded loss on impairment of investments in subsidiaries of Baht 29.18 million in the separate financial statements , according to appraisal report of independent appraiser . The Company has goodwill from the acquisition in the power plant business of Baht 51.20 million, which is significant to the consolidated financial statements and this amount is material to the consolidated financial statements. The consideration of the impairment of goodwill is, therefore, the significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating units and estimated future cash flows expected to be received from the asset group including discount rate and the long-term growth rate is appropriate. This imposes risk on the value of goodwill.

Risk Responses of Auditor

How the matters were addressed in the audit ,

- Evaluating the competence, independence and objectivity of the appraiser and verified their qualification.
- Discussing with the appraiser the rationale for the approach used to measure the fair value.
- Assessing the appropriateness of assumptions and information used in the valuation.
- Review the accounting for impairment of goodwill in the consolidated financial statements and Investment in subsidiary in the separate financial statements.

Emphasis of Matter

Without change in qualifying my opinion as above, I draw attention to note that

- (1) Note to financial statement No.10 as at December 31, 2017, 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 and 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 2017 is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.
- (2) As discussed in Note 11.1 to the financial statements, the Group hires an independent appraiser to evaluate the fair value of the power plant business of a subsidiary with Income Approach and calculated discounted cash flow to present value , according to the report of the an independent appraiser dated February 13, 2011. The fair value of the project is Baht 161.20 million. The appraiser has set up special assumptions for the valuation of the project included the duration of the project is 20 years ,the construction period is approximately 1 year from the date of the appraisal. 19 years from the date of completion of the project, the investment amount of 260.6 million baht to sufficient for the construction of biogas system, pipeline system, gas filter system, power generation system etc. The Group recognized a loss on goodwill of Baht 20.73 million in the consolidated financial statements and impairment loss was recognized for the investment in a subsidiary of Baht 29.18 million in the separate financial statements for the year 2017 based on the appraised value of the subsidiary's power plant business. In addition, the Board of Directors' meeting No. 2 / 2018 on February 27, 2018, the Board of Directors resolved to cancel the investment or disposals and the Company will continue to seek investors who are interested in the project.

- (3) Notes to Financial Statements No. 10, 11, 16 and 28, The Group and the Company invested in various projects and reported on the progress of each major project.

Other Matter

The financial statement of Demeter Corporation Public Company Limited which comprise the Consolidated (Before Adjustment) and separate statement of financial position as at December 31, 2016, and the related consolidated and separate statement of comprehensive income, changes in shareholders' equity (Before Adjustment) and cash flows for the year ended December 31, 2016, presented as comparative information, were audited by another auditor in my firm whose report dated on February 28, 2017, expressed an unqualified opinion on those financial statements ,emphasis of matter, 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.Jadesada Hungsapruet.

Mr. Jadesada Hungsapruet

Certified Public Accountant Registration No. 3759

Karin Audit Company Limited

Bangkok

February 27, 2018

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit : Baht			
		Consolidated		Separate	
		2017	2016	2017	2016
Notes			(Restated)		
ASSETS					
Current assets					
Cash and cash equivalents		9,547,608	17,854,367	8,358,711	15,057,054
Current investments	6	184,161,127	582,395,554	174,619,538	516,046,862
Trade and other current receivables	7	73,917,030	75,935,004	71,428,701	71,962,153
Short-term loans to related parties	5.2	-	-	74,677,968	-
Short-term loans	8	10,756,164	-	-	-
Current tax assets		1,317,329	2,796,283	869,563	2,736,281
Other current assets	9	612,696	585,665	612,696	583,720
Total current assets		280,311,954	679,566,873	330,567,177	606,386,070
Non-current assets					
Investments in associates	10	321,041,390	-	324,999,632	-
Investments in subsidiaries	11	-	-	87,093,417	141,732,173
Trade and other non-current receivables	12	73,027,645	85,887,821	73,027,645	85,887,821
Property, plants and equipment	13	34,515,953	40,972,855	24,468,622	29,192,764
Investment property	14	21,627,685	24,549,765	-	-
Goodwill	11	51,202,950	34,012,386	-	-
Intangible asset	15	-	38,941,734	-	38,941,734
Other non-current assets	16	27,632,075	72,542,070	27,518,075	72,428,070
Total non-current assets		529,047,698	296,906,631	537,107,391	368,182,562
TOTAL ASSETS		809,359,652	976,473,504	867,674,568	974,568,632

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2017

		Unit : Baht			
		Consolidated		Separate	
		2017	2016	2017	2016
	Notes		(Restated)		
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade and other current payables		15,675,318	43,281,968	14,296,956	40,401,956
Current portion of long-term liabilities	18	1,890,208	1,915,306	1,890,208	1,915,306
Short-term borrowing	17	4,879,121	5,112,381	-	-
Total current liabilities		22,444,647	50,309,655	16,187,164	42,317,262
Non-current liabilities					
Long-term borrowing	18	1,054,869	2,944,705	1,054,869	2,944,705
Non-current provisions for employee benefit	19	2,653,946	1,498,125	2,645,069	1,498,125
Other non-current liabilities	20	2,830,050	2,830,050	2,830,050	2,830,050
Total non-current liabilities		6,538,865	7,272,880	6,529,988	7,272,880
TOTAL LIABILITIES		28,983,512	57,582,535	22,717,152	49,590,142
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
590,547,570 common shares of Baht 1.00 each		590,547,570	590,547,570	590,547,570	590,547,570
Issued and paid-up					
587,407,772 common shares of Baht 1.00 each	21	587,407,772	-	587,407,772	-
549,749,896 common shares of Baht 1.00 each		-	549,749,896	-	549,749,896
Share premium		1,487,411,835	1,454,611,780	1,487,411,835	1,454,611,780
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		(1,269,381,805)	(1,062,801,547)	(1,196,662,191)	(1,046,183,186)
Other components of shareholders' equity		1,787,011	-	-	-
TOTAL SHAREHOLDERS' EQUITY		774,024,813	908,360,129	844,957,416	924,978,490
Non-controlling interests		6,351,327	10,530,840	-	-
TOTAL SHAREHOLDERS' EQUITY		780,376,140	918,890,969	844,957,416	924,978,490
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		809,359,652	976,473,504	867,674,568	974,568,632

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

		Unit : Baht			
	Notes	Consolidated		Separate	
		2017	2016	2017	2016
Income from programme co-production		26,999,046	48,913,824	19,559,046	38,574,246
Income from broadcasting rights		16,708,723	51,169,459	16,708,723	51,169,459
Sales income		5,376	93,273,262	-	93,273,262
Total revenues		43,713,145	193,356,545	36,267,769	183,016,967
Cost of programme co-production		(7,200,000)	(18,600,508)	-	(9,896,907)
Cost of broadcasting rights		(15,189,748)	(48,733,025)	(15,189,748)	(48,733,025)
Cost of sales		-	(77,079,680)	-	(77,079,680)
Total costs		(22,389,748)	(144,413,213)	(15,189,748)	(135,709,612)
Gross profit		21,323,397	48,943,332	21,078,021	47,307,355
Gain on sale of investment in associate		-	19,804,606	-	-
Other incomes		15,335,043	26,534,193	11,350,914	25,992,856
Profit before expenses		36,658,440	95,282,131	32,428,935	73,300,211
Administrative expenses		(105,226,906)	(108,961,539)	(101,172,930)	(89,994,279)
Allowance for impairment of intangible assets		(16,869,981)	(41,444,470)	(16,869,981)	(41,444,470)
Loss from impairment of goodwill	11	(20,731,191)	-	-	-
Loss from impairment of investments in subsidiaries		-	-	(42,560,511)	(2,820,583)
Loss from impairment of investment in associates	10	(65,330,845)	-	-	-
Management benefit expenses	5.1	(24,063,543)	(29,977,196)	(21,899,948)	(26,560,917)
Finance costs		(411,337)	(529,284)	(404,570)	(511,295)
Share of loss from associates		(12,997,397)	(672,874)	-	-
Total expenses		(245,631,200)	(181,585,363)	(182,907,940)	(161,331,544)
Loss before income tax		(208,972,760)	(86,303,232)	(150,479,005)	(88,031,333)
Income tax		-	-	-	-
Net loss for the years		(208,972,760)	(86,303,232)	(150,479,005)	(88,031,333)
Components of other comprehensive income					
that will not be reclassified to profit or loss					
subsequently :					
Gain on remeasurements of defined benefit plan		-	574,029	-	574,029
Net comprehensive loss		(208,972,760)	(85,729,203)	(150,479,005)	(87,457,304)
Profit (loss) attributable to:					
Owners of the Company		(206,580,258)	(86,303,232)	(150,479,005)	(88,031,333)
Non-controlling interests		(2,392,502)	-	-	-
Total loss for the years		(208,972,760)	(86,303,232)	(150,479,005)	(88,031,333)
Total Comprehensive income (loss) attributable to:					
Owners of the Company		(206,580,258)	(85,729,203)	(150,479,005)	(87,457,304)
Non-controlling interests		(2,392,502)	-	-	-
Total comprehensive loss for the years		(208,972,760)	(85,729,203)	(150,479,005)	(87,457,304)
Basic earnings (loss) per share (Baht per share)	22	(0.360)	(0.162)	(0.262)	(0.166)
Weighted average number of ordinary share (shares)		573,445,768	531,758,284	573,445,768	531,758,284

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

												Unit : Baht
Consolidated												
Notes	Issued and paid-up share capital	Share premium	Share discount for debt to equity conversion	Share discount	Retained earnings (Deficit)		Other components of shareholders' equity			Total equity attributable to owner's of the Company	Non-controlling interests	Total
					Appropriated	Unappropriated	Surplus on change in shareholding in subsidiary	Gain (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity			
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	23,902,138	20,818,766	-	-	-	-	-	-	-	44,720,904	-	44,720,904
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	18,230,254	18,230,254
Transferred to retained earnings	-	-	-	-	-	574,029	-	(574,029)	(574,029)	-	-	-
Comprehensive loss for the year	-	-	-	-	-	(86,303,232)	-	574,029	574,029	(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
Adjustment	-	-	-	-	-	-	-	-	-	-	(7,699,414)	(7,699,414)
Balance as at December 31, 2016 (Restated)	549,749,896	1,454,611,780	-6,600,000	-39,600,000	13,000,000	-1,062,801,547	-	-	-	908,360,129	10,530,840	918,890,969
Share capital increase	21 37,657,876	32,800,055	-	-	-	-	-	-	-	70,457,931	-	70,457,931
Non-controlling interests	-	-	-	-	-	-	1,787,011	-	1,787,011	1,787,011	(1,787,011)	-
Comprehensive loss for the year	-	-	-	-	-	(206,580,258)	-	-	-	(206,580,258)	(2,392,502)	(208,972,760)
Balance as at December 31, 2017	587,407,772	1,487,411,835	(6,600,000)	(39,600,000)	13,000,000	(1,269,381,805)	1,787,011	-	1,787,011	774,024,813	6,351,327	780,376,140

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht									
	Notes	Separate							
		Issued and paid-up share capital	Share premium	Share discount for debt to equity conversion	Share discount	Retained earnings (Deficit)		Other components of shareholders' equity	
						Appropriated	Unappropriated	Gain (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity
									Total
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)	-	-
Share capital increase		23,902,138	20,818,766	-	-	-	-	-	44,720,904
Transferred to retained earnings		-	-	-	-	-	574,029	(574,029)	(574,029)
Comprehensive loss for the year		-	-	-	-	-	(88,031,333)	574,029	574,029
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)	-	-
Share capital increase	21	37,657,876	32,800,055	-	-	-	-	-	-
Comprehensive loss for the year		-	-	-	-	-	(150,479,005)	-	-
Balance as at December 31, 2017		587,407,772	1,487,411,835	(6,600,000)	(39,600,000)	13,000,000	(1,196,662,191)	-	-

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Cash flows from operating activities				
Loss before income tax	(208,972,760)	(86,303,232)	(150,479,005)	(88,031,333)
Adjustments to reconcile profit (loss) to net cash received(paid)				
Net cash received from (used in) operating activities				
Interest expenses	294,626	98,346	290,342	425,941
Interest income	(6,486,288)	(8,449,729)	(8,017,115)	(15,668,697)
Trade and other current receivable (increase) decrease	15,841,667	(171,723,783)	14,288,723	(171,284,254)
Other current assets (increase) decrease	(42,289)	67,699,258	(28,976)	65,076,001
Other non-current assets (increase) decrease	1,447,447	(71,835,469)	1,447,447	(71,835,469)
Trade and other current payable decrease	(27,606,653)	(10,963,879)	(26,105,001)	(7,457,764)
Other non-current liabilities increase	-	672,250	-	672,250
Depreciation	9,657,226	8,007,338	5,218,140	5,152,185
Amortization of intangible asset	15,189,748	47,558,675	15,189,748	47,558,675
Amortization of non-refundable deposits	8,631,185	-	8,631,185	-
Gain on revaluation of fair value	(467,198)	(10,908,693)	(307,606)	(9,244,737)
Unrealized exchange loss	4,514,566	-	4,514,566	-
Allowance for doubtful account (reversal)	(963,517)	19,781,144	(895,096)	19,281,144
Allowance for non-refundable deposit	29,587,619	-	29,587,619	-
Employee benefit expenses	1,155,821	1,034,178	1,146,944	1,126,265
Loss from impairment of investment in subsidiaries	-	-	42,560,511	2,820,583
Withholding tax withheld	665,484	-	665,484	-
Provision for impairment of intangible assets	23,751,986	41,444,470	23,751,986	41,444,470
Profit for sale of fixed assets	(2,245)	(18,675)	-	-
(Gain) loss from sale of investments in subsidiaries	-	(1,210,920)	-	1,898,010
Gain from sale of investments in associates	-	(19,804,606)	-	-
Loss from impairment of goodwills	20,731,191	-	-	-
Loss from impairment of investment in associates	65,330,845	-	-	-
Share of loss from associates	12,997,397	672,874	-	-
Adjustments from reconciliation	(34,744,142)	(194,250,453)	(38,540,104)	(178,066,730)
Net cash received from (used in) operating activities				
Cash paid for interest	(294,626)	(98,346)	(290,342)	(425,941)
Cash Received from refundable withholding tax	2,800,117	-	2,800,117	-
Income tax paid	(1,257,469)	(12,371,353)	(869,703)	(12,338,500)
Net cash used in operating activities	(33,496,120)	(206,720,152)	(36,900,032)	(190,831,171)

DEMETER CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit : Baht			
	Consolidated		Separate	
	2017	2016	2017	2016
Cash flows from investing activities				
Cash paid for purchase of investment in subsidiaries	(37,921,755)	(34,364,362)	(37,921,755)	(45,424,039)
Proceeds for sale of investment in subsidiaries	-	57,875,708	-	8,101,960
Proceeds for sale of investment in associates	-	215,000,000	-	-
Cash received from capital decrease of subsidiaries	-	-	50,000,000	-
Cash paid for purchase of investment in associates	(399,369,632)	(24,687,500)	(324,999,632)	-
Current investments (increase) decrease	398,701,625	(69,028,271)	341,734,930	(4,728,271)
Cash paid for short-term borrowing to related company	-	-	(88,882,915)	(247,487,192)
Cash received from short-term borrowing to related company	-	-	14,204,947	399,065,274
Cash paid for short-term borrowing to other company	(10,756,164)	-	-	-
Cash received from interest income	6,486,288	8,449,729	8,017,115	15,668,697
Cash paid for purchase of property plant and equipment	(493,998)	(393,549)	(493,998)	(393,549)
Net cash received from (used in) investing activities	(43,353,636)	152,851,755	(38,341,308)	124,802,880
Cash flows from financing activities				
Cash received from increase in share capital	70,457,931	44,720,904	70,457,931	44,720,904
Payment of finance lease liability	(1,914,934)	(1,779,335)	(1,914,934)	(1,779,335)
Net cash received from financing activities	68,542,997	42,941,569	68,542,997	42,941,569
Net decrease in cash and cash equivalents	(8,306,759)	(10,926,828)	(6,698,343)	(23,086,722)
Cash and cash equivalents at beginning of years	17,854,367	90,714,931	15,057,054	38,143,776
Cash and cash equivalents of subsidiaries at sale date	-	(61,933,736)	-	-
Cash and cash equivalents at ending of years	9,547,608	17,854,367	8,358,711	15,057,054
Supplemental cash flows information:				
Cash and cash equivalents at end of years				
Cash on hand	58,798	1,786,630	51,561	86,662
Cash at banks-current accounts	125,054	142,310	30,000	59,550
Cash at banks-saving accounts	9,363,756	15,925,427	8,277,150	14,910,842
	9,547,608	17,854,367	8,358,711	15,057,054

1. General information

Demeter Corporation 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 broker.

2. Basis for preparation of the consolidated financial statements

- 2.1 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, 2017	December 31, 2016
Demeter Innovation Company Limited (formerly name 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	-	-
Demeter Power Company Limited	Energy	Bangkok	99.99	99.99
Aukkarawat Plant Renewable Energies Company Limited ***	Production and distribution of electricity	Suphanburi	33.64	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.

- 2.2 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. Basis of preparation of the financial statements and significant accounting policies

3.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3.2 Revised accounting standards and financial reporting standards

3.2.1 Revised accounting standards and revised financial reporting standards are effective on 1 January 2017 which are relevant and have significant impact to the Company as follows:

TAS 1 (revised 2016)	Presentation of financial statements
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TAS 34 (revised 2016)	Interim financial reporting
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TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-

reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

The above revised accounting standards and revised financial reporting standards have no significant impact to the Company.

3.2.2 Revised accounting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not early adopted these revised standards as follows:

TAS 7 (revised 2017)	Statement of cash flows
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TAS 12 (revised 2017)	Income taxes
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TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profits.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

Management has assessed and considered that the above revised standards will not have a material impact on the Company.

3.3 Significant accounting policies

Significant accounting policies of the Company are as follows:

3.3.1 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. 3.3.7.

3.3.2 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.

3.3.3 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.

3.3.4 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.

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

3.3.5 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.

3.3.6 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 Innovation Company Limited” (Formerly name “Demeter 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.

3.3.7 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.

3.3.8 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.

3.3.9 Non-current assets held for 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.

3.3.10 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.

3.3.11 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.

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the

Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As at December 31, 2017, The consolidated financial statement has deductible temporary differences totaling Baht 217 million (separate Baht 190 million). On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and or they might not be used to offset taxable income in the future

3.3.12 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.

3.3.13 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.

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.

3.3.14 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.

3.3.15 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.

3.3.16 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.

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

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.

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.

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.

5. 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 Innovation Company Limited (formerly name Demeter Media Company Limited)	Subsidiary
Demeter ICT Company Limited	Subsidiary *
Demeter Power Company Limited	Subsidiary
Aukkarawat Plant Renewable Energies 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)
Blue Finix Digital Company Limited	Associate (held by a subsidiary 30 percent)

<u>Companies</u>	<u>Relationship</u>
Hero Experience Co., Ltd.	Associate (held by 37.5 percent)

* As discussed in Note 2.1 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 2.1 to financial statements, on September 1, 2016, the Company closed a subsidiary.

*** 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

5.1 Accounting transactions with related parties

Revenue and cost in statements of comprehensive income for the years ended December 31, 2017 and 2016 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Income from rental and services				
Demeter Innovation Company Limited	-	-	-	452,350
Demeter ICT Company Limited	-	-	-	126,790
Demeter Power Company Limited	-	-	-	405,760
	-	-	-	984,900
Interest income				
Demeter Innovation Company Limited	-	-	1,204,947	-
Demeter ICT Company Limited	-	-	-	-
Demeter Power Company Limited	-	-	164	-
Aukkarawat Plant Renewable Energies Company Limited	-	-	7,968	-
	-	-	1,213,079	-
Rental and service expenses				
Demeter Innovation Company Limited	-	-	-	1,600,000
Demeter ICT Company Limited	-	-	-	44,803
	-	-	-	1,644,803

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Management benefit expenses				
Benefits for directors and managements	24,063,543	29,977,196	21,899,948	26,560,917

5.2 Outstanding balances in statements of financial position

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Trade and other receivables				
Demeter Innovation Company Limited	-	-	-	125,775
Total trade and other receivables	-	-	-	125,775
Aging analysis for accounts receivable were as follows:				
Overdue:				
6 months to 12 months	-	-	-	125,775
Total	-	-	-	125,775
Short-term loans and interest receivable				
Demeter Innovation Company Limited	-	-	74,370,000	-
Aukkarawat Plant Renewable Energies Company Limited	-	-	307,968	-
	-	-	74,677,968	-

For the year ended December 31, 2017, the movement of short-term loans and interest receivable is as follows:

	(Unit : Baht)			
	Separate			
	January 1, 2017	Increase	Decrease	December 31, 2017
Short-term loans and interest receivable				
<u>Demeter Innovation Company Limited</u>				
Principal	-	84,370,000	(10,000,000)	74,370,000
Interest receivable	-	1,204,947	(1,204,947)	-
Total	-	85,574,947	(11,204,947)	74,370,000
 Aukkarawat Plant Renewable Energies Company Limited				
Principal	-	300,000	-	300,000

Interest receivable	-	7,968	-	7,968
Total	-	307,968	-	307,968

Loans to subsidiary charged interest at 2 - 7% per annum.

6. Current investments

Current investments as at December 31, 2017 and 2016 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Fixed deposit	-	384,735	-	-
Investments in trading securities (Shares)	-	197,588,012	-	197,588,012
Add Allowance on revaluation of investments	-	10,146,988	-	10,146,988
Investments in trading securities (Shares), net	-	207,735,000	-	207,735,000
Open-end fund	183,693,929	374,982,451	174,311,932	309,214,114
Add Allowance on revaluation of investments	467,198	(706,632)	307,606	(902,252)
Open-end fund, net	184,161,127	374,275,819	174,619,538	308,311,862
Total	184,161,127	582,395,554	174,619,538	516,046,862

During the year, the movement of Investments in trading securities (Shares) is as follows:

	(Unit : Baht)	
	Consolidated	Separate
Balance as at January 1, 2017	197,588,012	197,588,012
Acquisition	161,176,839	161,176,839
Disposal	(362,141,651)	(362,141,651)
Gain on sales during the period	3,376,800	3,376,800
Net balance as at December 31, 2017	-	-

Investments in trading securities as at December 31, 2017 and 2016, are presented at fair value at quoted prices in active markets for identical assets which is Level 1.

7. Trade and other current receivables

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Trade accounts receivables				
Trade accounts receivables - related company (Note 5.2)	-	-	-	125,775
Trade accounts receivables	94,905,958	97,394,249	91,078,579	92,221,049
Less allowance for doubtful accounts	(91,749,572)	(92,713,089)	(89,284,993)	(90,180,089)
Total trade accounts receivables	3,156,386	4,681,160	1,793,586	2,166,735

Other current receivables

Amounts due from a former related company - net (Note 7.1)

Hire-purchase contract receivables

Current portion of long-term assets (Note 12)	13,485,848	12,310,152	13,485,848	12,310,152
Refundable value added tax	55,527,815	57,191,921	54,458,664	56,085,827
Other receivables	5,109,782	5,114,572	5,053,404	4,762,240
Less allowance for doubtful accounts	(3,362,801)	(3,362,801)	(3,362,801)	(3,362,801)
Total other current receivables	<u>70,760,644</u>	<u>71,253,844</u>	<u>69,635,115</u>	<u>69,795,418</u>
Total trade and other current receivables	<u>73,917,030</u>	<u>75,935,004</u>	<u>71,428,701</u>	<u>71,962,153</u>

Aging analysis for trade accounts receivable were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Within credit terms	697,865	250,000	447,865	-
Overdue:				
Not over 3 months	-	7,580,480	-	6,467,080
3 - 6 months	-	5,813,600	-	4,536,800
6 - 12 months	-	10,405,296	-	10,405,296
Over 12 months	94,208,093	73,344,873	90,630,714	70,811,873
Total	<u>94,905,958</u>	<u>97,394,249</u>	<u>91,078,579</u>	<u>92,221,049</u>

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

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Beginning balance	92,713,089	73,250,709	90,180,089	71,217,709
Increase (decrease)	(963,517)	19,462,380	(895,096)	18,962,380
Ending balance	<u>91,749,572</u>	<u>92,713,089</u>	<u>89,284,993</u>	<u>90,180,089</u>

As ended of February 27, 2018, the Company received the payment from accounts receivable as follow;

Within credit terms received of Baht 107,000.

Overdue, over 12 months received of Baht 25,721.

In 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 and entered into the negotiation process for two times but unsuccessful. Accordingly, the case is returned to the Court process. The Court have the verdict to the debtor repayment Baht 18,253,245.40 with the interest rate of 7.5 percent per annum on November 27, 2017. On January 26, 2018, the Company appealed against the judgment of the Civil Court.

7.1 Amounts due from a former related company - net

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
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. Currently, it is in the process of collecting assets of the debtor, and there will be the meeting of creditors on August 23, 2017, postponed from date June 14, 2017. The Central Bankruptcy Court have the verdict to the debtor to be insolvency on September 13, 2017.

8. Short-term loans

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Principal	10,000,000	-	-	-
Accrued interest	756,164	-	-	-
Short-term loans	10,756,164	-	-	-

For the year ended December 31, 2017, the movement of short-term loans and interest receivable is as follows:

	(Unit : Baht)			
	Consolidated			
	January 1,			December 31,
	2017	Increase	Decrease	2017
Short-term loans and interest receivable				
Principal	-	14,000,000	(4,000,000)	10,000,000
Interest receivable	-	966,164	(210,000)	756,164
	-	14,966,164	(4,210,000)	10,756,164

	(Unit : Baht)			
	Separate			
	January 1,			December 31,
	2017	Increase	Decrease	2017
Short-term loans and interest receivable				
SUN L E D (Thailand) Company Limited				
Principal	-	4,000,000	(4,000,000)	-
Interest receivable	-	210,000	(210,000)	-
	-	4,210,000	(4,210,000)	-

On June 28, 2017, a subsidiary entered into a loan agreement with a non-related company in total amount of Baht 10 million with an interest rate of 15 percent per annum for 7 months. The Company has repay the principal and interest on February 22, 2018.

On March 15, 2017, the Company signed the 2 contracts with SUN L E D (Thailand) Co.,Ltd. (“support recipient”) to support the lighting installment project at Mittraphap sub-district, Muak Lek district, Saraburi. The Company has agreed to support for project 1 in the amount of Baht 2,500,000, interest rate of 15% per annum, starting from the cash received date or the disbursement date. The support recipient has agreed to repay the principal and interest to the Company within October 7, 2017.

The Company has agreed to support for project 2 in the amount of Baht 1,500,000, interest rate of 15% per annum, starting from the cash received date or the disbursement date. The support recipient has agreed to repay the principal and interest to the Company within September 8, 2017.

The Company received the payment of principal and interest in full amount of such 2 contracts on June 27, 2017 and August 4, 2017.

9. Other current assets

(Unit : Baht)			
Consolidated		Separated	
2017	2016	2017	2016

Deposit	612,696	296,520	612,696	296,520
Other - net	-	289,145	-	287,200
Total	<u>612,696</u>	<u>585,665</u>	<u>612,696</u>	<u>583,720</u>

10. Investments in associates

10.1 The movement of investments in associates for the year ended December 31, 2017 is as follows:

		(Unit : Baht)	
		Consolidated	Separated
		Equity method	Cost method
As at January 1, 2017		-	-
Purchase / Increase investment		399,369,632	324,999,632
Impairment of investment in associates		(12,997,397)	-
Loss from investments in associates		(65,330,845)	-
As at December 31, 2017		<u>321,041,390</u>	<u>324,999,632</u>

10.2 Details of investments in associates consist of:

				(Unit : Baht)	
		Issued and paid-up	Investment	Consolidated	Separated
Associate	Nature of business	(Baht)	(percentage)	Equity method	Cost method
Hero Experience Co., Ltd.	Water Park, Amusement Park, Recreation	268,421,200	37.5	316,807,966	324,999,632
Blue Finix Digital Company Limited	Application service through internet	16,350,000	30	4,233,424	-
Total				<u>321,041,390</u>	<u>324,999,632</u>

10.3 Significant financial information for associates

Financial information as shown in the financial statement, summarized:

						(Unit : Baht)
						Consolidated
						Issued and paid-up
						Total assets
						Total liabilities
						Total revenue for
						Profit (loss) for
						As at December
						As at December
						As at December
						the year ended
						the year ended
Associate	31, 2017	31, 2017	31, 2017	December 31, 2017	December 31, 2017	
Hero Experience Co., Ltd.	268,421	598,281	35,321	29	(21,844)	
Blue Finix Digital Company Limited	16,350	19,754	5,643	9,606	(16,075)	

- A. On May 3, 2017, the Meeting of the Board of Directors No. 4/2017 resolved to approve the entry into the share purchase agreement between Demeter Media Company Limited (“DMedia”), (the Company’s subsidiary) and Thai Trade Communication Company Limited (“Thai Trade”) under which the parties agree on the terms and conditions in relation to the investment in the project of Blue Finix Digital Company Limited (“Blue Finix”) for development of the applications and websites for the internet transaction by means of acquisition of 28,600 ordinary shares in Blue Finix from Thai Trade, equivalent to 20 percent of the registered capital of Blue Finix at

the price per share of up to Baht 1,726.22 and total purchase price of up to Baht 49,370,000 and subscription of newly issued shares of Blue Finix under which there will be the increase in the registered capital of Blue Finix from Baht 14,300,000 to Baht 16,350,000 by issuance of 20,500 ordinary shares at the par value of Baht 100. DMedia will purchase the New Shares at the subscription price of Baht 1,219.51 which is higher than the par value and at the total price of up to Baht 25,000,000. For the total amount of up to Baht 74,370,000.

On June 8, 2017, the portion of 28,600 ordinary shares equivalent to 20 percent has been transferred to DMedia, and on June 17, 2017, Blue Finix has issued and allocated 20,500 newly issued ordinary shares to DMedia, totaling ordinary shares equivalent to 30 percent. DMedia has made the payment for the purchase price required for such share transfer to Thai Trade in the total amount of Baht 49,370,000 and the subscription price for such newly issued ordinary shares to Blue Finix in the total amount of Baht 25,000,000.

In the consideration to invest in Blue Finix, the Board of Directors had analyzed the business feasibility of Online Live Streaming business which it viewed to have grown tremendously in the past few years. In 2016, the market value of the Online Live Streaming business was about Baht 3,400 million which is viewed as the strong point as compared to other competitors in the same business due to:

1. Business cooperation from professional content providers which is superior to other competitors.
2. There were more than 350 social network celebrities contracted to broadcast their own programs on FINIX TV prior to the business launch and it was expected that these group of persons will help promote FINIX TV in the social network and attract users promptly upon the service launch.
3. FINIX TV System is the system developed by the company, not a system purchased from overseas alike other competitors, which can be altered promptly and better understands consumers' popularity in Thailand.

The company hired an independent valuer, The Valuation and Consultants Co., Ltd., which is an independent valuer approved by the Securities and Exchange Commission (SEC), to appraise the value of Blue Finix. The appraisal result shows that Blue Finix has a value of Baht 719.57 million and the Company purchased 30 percent of the shares in Blue Finix at the price of Baht 74.37 million.

Notwithstanding, due to the fact that the competition in the Online Live Streaming business is very intense and, recently, there are new competitors entering the market, including the fact that Blue Finix cannot adapt itself towards the increased competition, the operating results of the company were not as expected.

After the Company's investment in 30 percent of the business of Blue Finix, totaling Baht 74.37 million, the Company has already started to recognize income from June 2017. From the financial statement year 2017 of Blue Finix, that has earned Baht 11.18 million mainly from the sales of Gift to Angel on Duty and FINIX TV (currently, Angel on Duty and FINIX TV have consolidated their platforms). With respect to income from Social Portal Media Platform, such income has not arisen and, according to the action plan, the commencement of the income recognition in this part will start within quarter 1/2018.

After Blue Finix's success in August 2017, the official press conference was held and there were celebrities attended such press conference, e.g. Professor Kata Chinnabanchon, Seksan Sukpimai, Kon-bai-krai-kriad crew members and Miss Supranational. The Company has given support and helped with the coordination. Later,

executives of Blue Finix saw the opportunity to be an alliance with Electronics Extreme Co., Ltd., an importer of online games, to jointly use resources to achieve the best business benefits, including the proposal of work expansion plan to the leading media business group in the Republic of Vietnam in October 2017.

Nevertheless, Blue Finix was not able to increase the number of customers to achieve the revenue targeted. The Company considered that such effect may result from the lack of strategic planning and marketing operational plan. Especially, there was a lack of budget allocation and prioritizing, which adversely affect the determination of budget allocation for each marketing tools. Moreover, the current economic circumstances have not positively encourage the operation as anticipated. Therefore, the Company proposed, in the Board of Directors' meeting of Blue Finix on November 7, 2017, that the executive board of Blue Finix should prepare clear quarterly action plan, budget plan, and expenditure plan and propose the drafts to the Board of Directors of the Company for consideration within November 14, 2017. In this regard, the Company has not been received the plan. Nevertheless, in January 2018, the management of Blue Finix has proposed new business plan which is business oppretunities for Blue Finix as follows:

1. Business opportunity in Thailand, the business cooperation plan between Blue Finix and ONE HD channel which has content with a large number of followers, and its own application ("**ONE HD Application**") which is OTT (Over-the-top) service. The ONE HD Application has been available in App Store for for more than 2 years and has been downloaded by over 2 million people. Nevertheless, at present, it has managerial problems leading to the out of date application and the decrease of the usages. For this collaboration, Blue Finix shall be responsible for management of ONE HD Application to be in active status. ONE HD Application has the advantage from other applications because it has its own content which could be provided as VOD (Video on Demand).

The business plan has been separated to be two phrases: (1) advertisement sales phrase expected to get the sponsors within May 2018 which has the revenue share according to the agreement and (2) the phrase that Blue Finix shall use its existing Live Streaming Platform Engine plugs with ONE HD Application. As such, the actors of the channel could live during the filming (Sneak Peak Exclusive Content). This is expected to be launched within June 2018. The revenue sharing would be the same model as exsiting online streaming model of Blue Finix.

2. Business opportunity in a foreign country, the business cooperation plan between Blue Finix and Cat Thien Sa in in the Republic of Vietnam. The channel has famous programme such as The Face, The Voice, etc. At present, Cat Thien Sa has revenue approximately Baht 5,000 million per annum which comes from online sector approximately Baht 1,000 million per annum. For this collaboration, Blue Finix shall be responsible for procuring and manufacturing the operating system ("**Viva TV Application**") which is OTT service, and Cat Thien Sa shall be responsible for procuring and producing the content of the programme including providing registration network for Viva Tv Application monthly subscription. The management of Blue Finix has considered that Mobile OTT is currently in the growth in the Republic of Vietnam since the increase of mobile subscribers. As such, the forecast revenue would be around 80 million Baht per annum.

At present, Blue Finix and Cat Thien Sa has already signed a MOU and in the process of negotiation. It is expected that the project would be launched within 4 months once the agreement has been signed, and then

the revenue would be immediately recognized. The memorandum of understanding could be summarized as follows:

- The memorandum of understanding has the purpose to set up a joint venture company about Live Streaming Platform with a name VIVATV.
- At the first phase, Cat Thien Sa will invest USD 700,000 (75 percent of shares) and Blue Finix will invest the licensing fee of Live Streaming Platform engine with the approximate value as USD 250,000 (25 percent of shares).
- VIVATV will pay Blue Finix an amount of USD 10,000 per 4 months for system customization.
- At publishing platform phase, VIVATV will pay for Blue Finix maintenance fee approximately 8 percent from monthly revenue.
- After 1 year of public release, Cat Thien Sa has the right to buy out all platform and source code at USD 700,000, and Blue Finix shall have the right to sell its shares to any 3rd parties at market price.

Based on the valuation of the above projects. The Company has considered the impairment of investment in associate (Blue Phoenix Digital Co., Ltd.) because the expected return is lower than the book value. The Company recorded allowance for impairment in the year 2017 of Baht 65.33 million and considered the impairment of investment in a subsidiary in the separate financial statements (Diameter Innovation Company Limited) holding shares in Blue Phoenix. Digital Recording Co., Ltd.) because the expected return is lower than the book value. Allowance for impairment in the year 2017 was Baht 7.94 million.

- B. The Meeting of the Board of Directors No. 8/2017 held on September 15, 2017 the Board of Directors of the Company resolved to approve the investment in the hyper reality development business, the Marvel Experience Thailand: Theme Entertainment Attraction (TMX) of Hero Experience Co., Ltd. (Hero Experience) by the purchase of 32.5 percent of the newly issued shares by Hero Experience Co., Ltd., totaling of Baht 280 million. Later, on December 12, 2017, the Company's Board of Directors approved the additional purchase of 5 percent of the new shares issued by the capital increase of Hero Experience, totaling of Baht 45 million, thereby resulting in the total combined shareholding of 37.5 percent of Baht 325 million in total. It is expected that the return on investment will be at the rate of at least 20 percent. The construction permit for the TMX Project was granted; the construction commenced since September 2017 and the company will recognize income within May 2018. On December 27, 2017, it was informed by the company that the investment transaction has been completed with the payment of capital investment of Baht 325 million. The summary of the Joint Venture Agreement between Hero Experience Co., Ltd. and Hero Venture of the United States of America, wherein Hero Experience received the royalty fee during August 2017 by giving the details on the term of the agreement, value of return, conditions for the royalty payment as follows:

- HVI is the licensee of copyrights and trademarks of Marvel characters owned by Marvel Characters B.V. (Marvel).
- HVI grants Hero the right to use copyrights and trademarks of Marvel characters, Marvel story lines/cartoons and other creations (“Intellectual Property Rights”) under the Project.
- The term of the agreement is three (3) years which may be renewed for another term of three (3) years with the permission of HVI and Marvel.
- Hero shall be required to pay the license fee for the term of three (3) years, at the amount which cannot be disclosed, in 3 installments. So far, Hero has paid 2 installments.
- Hero shall be required to pay the royalty fees in proportion to its income to Marvel and HVI annually. The Company cannot disclose the related royalty amount since such information is trade secrets of the Company and the counterparty.

The Board of Director of the Company has considered the advantage of TMX project as follows:

1. Marvel brand is an international brand having the global reputation;
Marvel Entertainment, LLC was incorporated in May 1939 and it has been 78 years until now. At the initial stage, it sold comic books and created world famous characters, e.g. Captain America, Ironman, Spider-Man, etc. In 2008, Marvel produced the first movie, i.e. Iron Man, and was able to earn more than USD 585 million. The second movie was The Incredible Hulk which could raise income for more than USD 263 million in the same year. Consequently, The Walt Disney Company (Disney) saw the capacity of Marvel and acquired Marvel on December 31, 2009 at USD 4,300 million. Thereafter, Marvel has produced several movies and continued to be successful.
2. The official support from the Ministry of Tourism and Sports and the Board of Investment
On August 21, 2017, Hero attended a meeting with Mrs. Kobkarn Wattanavrangkul, the Minister of the Ministry of Tourism and Sports, and Mr. Pongpanu Svetarundra, the Permanent Secretary of the Ministry of Tourism and Sports. In this respect, the Tourism Authority of Thailand (TAT), as the public sector, agreed to promote the joint investment by the private sector in the TMX project as the project supports and promotes good relationship in the family (Family Attraction) with the aim to make TMX as one of the tourist attractions of Bangkok. Moreover, it is eligible for the promotion of the Office of the Board of Investment (BOI) for the exemption of import duties for the import of machines and equipment and the exemption of income tax for a period of 5 years.
3. The location (Mega Bangna) has the capacity to encourage the income growth
Mega Bangna is the largest shopping mall in Bangna District. At present, there are about 120,000 customers in Mega Bangna daily, or 40 million customers per year. 98 percent of the customers are Thais and 2 percent are tourists while the number is continuously increasing at the average rate of 10 percent. Currently, there are about 8,000 parking spaces (5,000 in-door spaces, and 3,000 outdoor spaces). Mega Bangna has the plan to develop the department store into “Mega City” by increasing

the parking spaces, entertainment zone, leisure, sport, education and the hotel which would encourage TMX to be a more complete tourism location.

4. The growth of the number of foreign tourists in Thailand

Based on the foreign tourist statistics from the Department of Tourism in 2016, the total number of foreign tourists in Thailand is more than 32 million persons which grew 45 percent, or more than 10 million persons, within the past 5 years, with the tendency to grow continuously. Among the growth, 60 percent of the growth results from Chinese tourists. In 2016, approximately 9 million Chinese tourists visited Thailand per year, or approximately 24,000 persons per day, approximately 60 percent of which or 14,400 persons per day visited Bangkok. If TMX is one of the tourist attractions, the Company expects that more than 30 percent of the tourists will use the service and create income for TMX.

The tourism location is in the form of digital hyper reality over the area of 12,395 square meters which can support up to 10,950 tourists per day. Currently, 70 percent of the construction has been completed and the area has been expanded to be 16,500 square meters from the excellent design as shown in the photos.

5. The estimated revenue of the Company from the study

The Company has estimated the revenue from the TMX project, based on an estimated 3,000 visitors per day, or about 1.2 million per annum. It would generate revenue approximately of Baht 1,000,000,000 per annum, which is a reasonable and acceptable return on the project.

The revenue would come from four main areas as follows:

- 1) Revenue from ticket sold.
- 2) Revenue from souvenirs and merchandises sold.
- 3) Revenue from food and drinks sold.
- 4) Revenue from sponsorship and barter systems.

Nevertheless, the Company tries to minimize the risk which may arise from the investment to the extent possible by including conditions for the management of Hero into the related agreements as follows:

1. 3 out of 9 directors of Hero must be nominated by the Company in order for such persons to perform duties on behalf of the Company as the shareholder.
2. Hero must maintain insurance policies to protect property from damage from events, such as fire, flood, and political unrests.
3. The directors nominated by the Company shall jointly sign with the directors nominated by other shareholders with the affixation of the company seal for transactions having a value exceeding Baht 10,000,000.

4. The consideration of financial and accounting policies and related matters must always be proposed for acknowledgement or approval by the Board of Directors.

5. The quorum of the board of directors must consist the attendance by at least 1 director that is the Company's representative, whereby the quorum is formed and the meeting may commence.

6. The quorum for the shareholders' meeting must always consist of the Company attending the meeting to form the quorum and the meeting may commence.

7. The prescription of shareholders' reserved matters which require the consideration and approval of the shareholders with the majority vote of not less than 75 percent of the total votes of the attending shareholders as follows:

- 1) Amendment of the company's articles or memorandum of association.
- 2) Capital increase or capital decrease of the company.
- 3) Issuance of instruments, bonds, debentures, or any debt instruments of the company.
- 4) Issuance of any other shares besides ordinary shares.
- 5) Increase or decrease of rights attached to the shares.
- 6) Taking out loans or entering into any agreement, including raw materials supply agreement, service agreement, management agreement, project development agreement, or creating encumbrances or capital expenditure having a value of more than Baht 10,000,000 (Baht 10 million).
- 7) Guarantee, mortgage, issuance of letter of guarantee, debenture, creation of debts or any action on behalf of the company which results in the decrease in value of the company's fixed assets (including land).
- 8) Appointment, removal of the President, directors, Managing Director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer who are authorized to manage the company, including the prescription of special benefits for directors and employees which includes the fixing of directors' compensation.
- 9) Appropriation of the company's legal capital as dividends, reserves or other savings for other appropriate purposes, or cancellation of the reservation or savings in compliance with laws.
- 10) Direct or indirect expenses and/or benefits for the company directors which result in benefits other than those stipulated in business plans, yearly budget and regulations.
- 11) Appointment of accounting auditors and fixing of the auditor's remuneration
- 12) Approval of balance sheet, statement of cash follow, and income statement of the company.

- 13) Entering into an agreement or creating encumbrances over the company or acquisition of assets (including land) of the company having a value of more than Baht 10,000,000 (Baht 10 million).
- 14) Participating in agreements which create commitments, amalgamation, joint investment or investment in a subsidiary.
- 15) Amendment of the terms with respect to quorum required for the meeting of shareholders or the Board of Directors.
- 16) Declaration of dividends and conditions for the payment to each type of shareholders entitled to receive such dividends, including the notification of the amendment in the dividends to be distributed to the shareholders.
- 17) Change of the company's nature of business, or investment in any company having the objectives not directly relevant to the normal operation of the company.
- 18) Consideration of any other matters which the Civil and Commercial Code requires the special resolution.

As at December 31, 2017, 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 2017 is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

11. Investments in subsidiaries

As at December 31, 2017 and 2016, investments in subsidiaries are as follows:

(Unit : Thousand Baht)								
Companies	Separate							
	Issued and paid-up share capital		% of Holding		At cost		Dividend for the years ended December, 31	
	2017	2016	2017	2016	2017	2016	2017	2016
Demeter Innovation Company Limited (formerly name Demeter Media Company Limited)	48,000	48,000	100.00	100.00	73,862	73,862	-	-
Demeter Power Company Limited	35,000	85,000	99.99	99.99	35,000	85,000	-	-

Aukkarawat Plant Renewable								
Energies Company Limited	5,000	5,000	33.64	16.40	83,346	45,424	-	-
Less Allowance for devaluation of								
investments					(105,115)	(62,554)	-	-
Total					87,093	141,732	-	-

11.1 On December 16, 2016, the Meeting of the Board of Directors No. 10/2016 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, 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 :

- 3) 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.
- 4) 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 Thanayatom Power Plant Co.,Ltd. and therefore Thanayatom 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 Baht 9.34 million for such shares acquisition. Thus, as at December 30, 2017, value of investment was stated at the amount of Baht 83.35 million. (Therefore, if the third completion of the share sale and purchase does not take place, the Company is entitled to claim for such sum of money in full from the broker according to the conditions stipulated under the brokerage agreement. Preliminary, the Company has issued a letter dated January 26, 2018 to the broker informing about the refund of the security deposit since the over of the deadline dated November 30, 2016. If, however, the third completion of the share sale and purchase is completed, the Company may not claim for such security deposit although the Company may incur any damage from the investment in Aukkarawat as there are no warranties with respect to the result of the investment under the brokerage agreement).

Nevertheless, in case the Company could not get the refund of the brokerage fee, or damaged from such payment in any case. The Board of Directors consider that the Company has to take the legal measures to the broker and

related parties including the management approving the payment of the brokerage fee in order to protect the interests of the Company and the shareholders.

On April 21, 2017, Aukkarawat Plant Renewable Energies Co.,Ltd. (“the subsidiary”) sent out the letter to PEA to request stopping the electricity supply in order to improve the power plant, machines and equipments for better efficiency. And on July 14, 2017, PEA has acknowledged and notified the subsidiary to proceed the improvement by submitting the improvement details, connection device format (Single Line). If the capacity is increased, it must be approved by PEA by submitting a detailed plan for increasing capacity or extending the power system to PEA for consideration prior to commencement of operation for not less than 3 months.

Nevertheless, during the project area development, it was found that the neighboring communities around project materially retrieve less waste water from the project. Based on the inspection, it was found that (1) there are new power plant projects in the area and the neighboring community which could retrieve waste water from Aukkarawat may consider retrieving the waste water from such new projects if it takes less transportation time for them, and (2) the neighboring community receives waste water from similar power plants located in the same area, some of which transport their waste water to the community. Therefore, it is not necessary for the community to retrieve the waste water directly from the project.

Due to such event, the Board of Directors has been informed about the change in the project. The Board of Directors, therefore, has assigned the management of the Company to conduct a study on impacts and possible solutions. Subsequently, the Board of Directors has received the result of the management’s study on the chaing of water receiving process of the community, and other possibilities for waste water treatment including the transportation of such water waste to the communities, installation of waste water treatment machines, and the increase of water settling area, and then found that these effect the costs of the project. From the study on the information of increased costs, the possible method which least effects the project costs is the transportation of the waste water out of the project, but such method would result in the material increase of costs by around 30 percent.

Therefore, the Board of Directors has considered additional facts and the study of the change in cost structure and found that the operation of the project in the same manner may result in an inability to acquire the benefits to Company and for shareholders as when the investment was previously approved. In such case, it is viewed that the executive shall explore the solutions so that the Company is least affected by the project, such as moving of the plant, reducing other costs or additional negotiation with another group of shareholders to amend the joint investment of the project, feasibility on the termination of the investment or sale of investment. The Board of Directors will consider such solutions within February 2018.

Due to the reasons mentioned above, the Company has slowed down all actions relating to the area improvement, procurement and installment of machines. Currently, the Company has not made payments for area improvement, procurement and installation of machines. There is only outstanding account payable for sellers who initially performed factory area improvement in the amount of approximately Baht 200,000.

According to the appraisal report of Sims Property Consultants Co., Ltd. dated February 13, 2018, using the income approach, the appraiser conducted to examine the price of the 4.9-megawatt biogas power plant project

under the 20-year business plan of Agro-Business Renewable Energy Co., Ltd. The power plant should be worth 161.20 million baht. In the estimate above, the appraisal value is based on the following assumptions:

A. The power plant is produced from molasses wastewater with a COD of not less than 150,000 mg / l of a company. It is located about 43 kilometers from the power plant.

B. Duration of the project is 20 years. Construction period is approximately 1 year from the date of assessment 19 years from the date of completion of the project, the investment amount of 260.60 million Baht is sufficient for the construction of bio-gas system, pipeline system, gas filter system, power generation system.

C. Documentation received from the company is accurate, reliable and also the power purchase agreement with the Electricity Generating Authority of Thailand.

D. In this appraisal, the land lease contract is for a period of 10 years and can be renewed for another ten years, with the first year rent of 1.2 million baht, with a rental rate of 2% per annum.

E. In this valuation, cash flow from cash flow and cash equivalents of Agro-Wastewater Limited, current assets, receivables, payables, and liabilities before the valuation date for this business valuation, are not considered valuation.

Based on the valuation of the above projects. as a result, the Company has to recognize impairment losses on goodwill of Baht 20.73 million in the consolidated financial statements and the Company recorded loss on impairment of investments in subsidiaries of Baht 29.18 million in the separate financial statements for the year 2017.

The movement of goodwill in the biogas power plant project in Suphanburi province, operated by Aukkarawat Plant Renewable Energies Company Limited

	(Unit : Baht)
	Consolidated
	2017
Goodwill	
Beginning	34,012,386
Values are increased from the increased proportion of investments	37,921,755
Less Impairment of Goodwill	(20,731,191)
Net	51,202,950

On August 4, 2017, the Company has signed the amendment of the Share Purchase Agreement (the 3rd) to extend the third milestone to complete within October 31, 2017. And on October 20, 2017, the Company has signed a MOU to extend the third share purchase for a period of 30 days, which will be due on November 30, 2017. The Company and other shareholders of Aukkarawat are in the process of negotiating on business issues to be determined in the shareholders' agreement, which is a condition precedent of the transfer. The terms being under negotiation such as rights and duties of each shareholder and details of management and administration of the Company by the board of directors and shareholders. It is expected that the negotiation will be final and the transaction will be completed by November 30, 2017. In order to negotiate regarding Aukkarawat management with the seller. Currently, due to the fact that the Company and the seller are not able to fulfill the conditions

precedent for the third completion of the share sale and purchase since the negotiation on other essence matters have yet to be completed, the Company has yet not completed the third purchase of the shares. Moreover, if the parties are unable to proceed with the third completion of the share sale and purchase due to the conditions precedent could not be completely taken, the parties may consider to terminate the agreement and require the other party to pay damages (if any) incurred between them according to the laws.

On February 27, 2018, the Board of Directors has resolved to consider the investment in Aukkarawat Plant Renewable Energies Company Limited as follows:

Reference is made to the Clarification Letter regarding the Board of Directors' opinion on the dept cost structure analysis for the investment in the biogas power plant project of Aukkarawat that the Board of Directors has considered additional facts and the study of the change in cost structure. Then, it has been found that the operation of the project in the same manner may result in an inability to acquire the benefits to Company and for shareholders as when the investment was previously approved. In such case, it is viewed that the executive shall explore the solutions so that the Company is least affected by the project and the Board of Directors will consider such solutions within February 2018.

The Company would like to inform that the Company has proposed the solutions with the significant issues from the study of such solutions as follows:

(1) Analysis on cost of the treatment of waste water created from the power plant using biomass energy

According to the studies of the possibility in the investment before deciding to invest, the Company received the information that, in general, the neighboring community around the project (within the 20 kilometers radius) would request for such waste water from the project to irrigate agricultural area of the community. Nevertheless, during the project area development, it was found that the neighboring communities around project materially retrieve less waste water from the project. Based on the inspection, it was found that (1) there are new power plant projects in the area and the neighboring community which could retrieve waste water from Aukkarawat may consider retrieving the waste water from such new projects if it takes less transportation time for them, and (2) the neighboring community receives waste water from similar power plants located in the same area, some of which transport their waste water to the community. Therefore, it is not necessary for the community to retrieve the waste water directly from the project. As such, the Company has conduct the cost analysis of the transportation of waste water to the neighboring community.

From the study, in case Aukkarawat has to bear the cost of waste water transportation to the neighboring community, the commercial feasibility of the project would significantly decrease. The reason is because Aukkarawat still has to bear the cost of the transportation of the material (Vinasses water) from the Biofuel Mitraphol Factory, Dan Chang which, currently, is 45 kilometers from the project. Further, the waste water transportation to neighboring community shall increase cost of the project around 30 percent.

(2) Analysis on movement of the location of the project to reduce the distance for raw material (Vinasses water) transportation from the Biofuel Mitraphol Factory, Dan Chang

From the study of the dept cost structure of the transportation from (1) and (2), it has been found that the Company still has high limitation. Hence, the Company has studied the possibility to move the location of the project to reduce the distance for raw material transportation which is the fixed cost.

Currently, the distance of raw material transportation is around 45 kilometers. From the location search to increase commercial feasibility by considering from the current location, it has been found that there are 2 potential locations. They are located in the north of the current location, next to Nong Ya Sai, where is the nearest to the raw material resource and far from residential community (where is sugar cane and vegetable garden).

The Company has explored the 2 potential locations for moving of the factory. The total distance is around 28.7 kilometers. The Company has also explored shortcut with the distance around 23.9 kilometers. It has been found as follows:

(A) Area 1 is the area that has transmission lines already but the transmission lines are still small (which is able to be changed to be bigger) Most of the area is sugar cane and vegetable garden, far from residential community (having a few houses). Hence, it has the potential site for the power plant.

(B) Area 2 is the area does not have transmission lines but it is the wide-open area considered to have potential to set up the power plant. Nevertheless, it needs to invest in the construction of additional transmission lines from the existing and develop the entrance of the area to let large trucks are able to enter into the area.

(C) The shortcut is unlikely to be used because there is dirt road and holes in the middle part. This will result in splash waste water from the trucks especially in the rainy season which is likely to have more holes.

Hence, the most probable solution from studying of relocation possibility of Aukkrarawat to reduce the distance of raw material transportation is moving the project location to area 1 or area 2. Based on the evaluation result of the waste water transportation from the factory of raw material (Vinasses water) from Biofuel Mitraphol Factory, Dan Chang, the distance will be around 28.7 kilometers.

(3) Analysis on possibilities to terminate share purchase agreement

Terms and conditions agreed with the parties and the conditions of the payment of remaining sale share consideration or the 3rd share sale or in the proportion of 16.36 percent of all shares, or in the amount of approximate 36 million Baht, the Company has asked for the comment from legal counsel, Kudun and Partners Limited. The details are as follows:

According to the share purchase agreement between the Company and Aukkrarawat, the agreement with respect to payment of the sale share consideration, conditions of payment and termination of agreement as follows:

Conditions precedent for the third completion of the share sale and purchase

- The seller and the purchaser having entered into the shareholders' agreement according to the agreed terms.

Event of default as a cause for termination

If either party fails to perform any of its material obligations on the completion date of the share sale and purchase (first, second or third), the other party has the right to take any of the following actions:

- (1) Immediately terminate this agreement without prejudice against the right to claim for damages incurred against the other party
- (2) Exercise or waive any rights to proceed with the completion of the share sale and purchase on the completion date of the share sale and purchase; or
- (3) Determine the new completion date which shall be no more than 5 (five) business days from the previously stipulated completion date, provided that each of the parties performs its obligations on the rescheduled completion date of the share sale and purchase and such rescheduling may take place only once, unless otherwise agreed between the parties.

In this regard, the Company agreed to extend the third completion of the share sale and purchase to 30 November 2017 in order to negotiate regarding Aukkrarawat management with the seller. Currently, due to the fact that the Company and the seller are not able to fulfill the conditions precedent for the third completion of the share sale and purchase since the negotiation on other essence matters have yet to be completed, the Company has yet not completed the third purchase of the shares. Moreover, if the parties are unable to proceed with the third completion of the share sale and purchase due to the conditions precedent could not be completely taken, the parties may consider to terminate the agreement and require the other party to pay damages (if any) incurred between them according to the laws.

Hence, the Board of Directors has considered all the solutions and opined that the operation of the project either in the same manner or according to the solutions no. (1) - (3) may result in an inability to acquire the benefits to Company and for shareholders as when the investment was previously approved. In such case, it is viewed that the Company shall terminate or sell the investment, and the Company shall, then, seek for investors who are interested in the project.

- 11.2 According to the resolution of the Extraordinary General Meeting of Shareholders No. 3/2017 of the subsidiary company on June 15, 2017, it was resolved to change the name of Demeter Media Company Limited to Demeter Innovation Company Limited. The company was registered with Ministry of Commerce on June 20, 2017. And the Company considers impairment of investments in the separate financial statements of a subsidiary (Diner Innovation Company Limited) , holds shares in Blue Phoenix Digital Co., Ltd., because the value of the

redemption is lower than the book value and record allowance for impairment of investment in this subsidiary in the year 2017 was Baht 7.94 million.

- 11.3 The Extraordinary General Meeting of Shareholders No. 6/2017 of Demeter Power Co., Ltd. (subsidiary) approved the reduction of the registered capital of the Company by Baht 50 million by reducing the number of shares, and remaining the registered capital of Baht 35 million, which is 3,500,000 ordinary shares with a par value of Baht 10 per share. Demeter Power Co., Ltd. registered the reduction of its registered capital with the Ministry of Commerce on October 25, 2017.

12. Trade and other non-current receivables

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Hire-purchase contract receivables	104,433,064	121,659,266	104,433,064	121,659,266
Less Unearned interest income	(17,919,571)	(23,461,293)	(17,919,571)	(23,461,293)
Net	86,513,493	98,197,973	86,513,493	98,197,973
Less Current portion of hire-purchase contract receivables (Note 7)	(13,485,848)	(12,310,152)	(13,485,848)	(12,310,152)
Net	73,027,645	85,887,821	73,027,645	85,887,821
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	73,027,645	85,887,821	73,027,645	85,887,821

- 12.1 Hire-purchase contract receivables : 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.
- 12.2 Debt restructuring : 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 33rd 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).

In 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. The Company has filed a Civil Court against the receivable and on May 15, 2017, the Civil Court judged that the defendant had to pay the debt amount in accordance with the judgement, starting the first payment within August 10, 2017. The debtor defaulted the payment. The Company is in the process of enforcement.

13. Property, plant and equipment

Movements of the property, plant and equipment account for the years ended December 31, 2017, are summarized below :

	(Unit : Baht)			
	Consolidated			
	January 1, 2017	Increase	Decrease	December 31, 2017
<u>Cost</u>				
Land	-			-
Building	24,172,337	-	-	24,172,337
Building improvements	16,255,360	-	-	16,255,360
Tools and equipment	-	-	-	-
Furniture, fixture and office equipment	10,322,540	493,998	-	10,816,538
Vehicle	11,696,383	-	-	11,696,383
Machinery and equipment	3,909,519	-	-	3,909,519
Total	66,356,139	493,998	-	66,850,137
<u>Accumulated depreciation</u>				
Building	(4,889,655)	(1,315,557)	-	(6,205,212)
Building improvements	(1,239,956)	(812,768)	-	(2,052,724)
Tools and equipment	-	-	-	-
Furniture, fixture and office equipment	(3,322,445)	(2,066,096)	-	(5,388,541)
Vehicle	(4,519,118)	(2,339,276)	-	(6,858,394)
Machinery and equipment	(2,202,285)	(289,000)	-	(2,491,285)
Total	(16,173,459)	(6,822,697)	-	(22,996,156)
Allowances for impairment of assets	(9,209,825)			(9,338,028)
Net	40,972,855			34,515,953
<u>Depreciation expense for the year</u>				
December 31, 2017				6,822,697
December 31, 2016				5,883,683

	(Unit : Baht)				
	Separate				
	January 1, 2017	Increase	Decrease	Transfer	December 31, 2017
<u>Cost</u>					
Building improvements	16,255,360	-	-	-	16,255,360
Furniture, fixture and office equipment	10,322,540	493,998	-	-	10,816,538
Vehicle	11,696,383	-	-	-	11,696,383
Total	38,274,283	493,998	-	-	38,768,281
<u>Accumulated depreciation</u>					
Building improvements	(1,239,956)	(812,768)	-	-	(2,052,724)
Furniture, fixture and office equipment	(3,322,445)	(2,066,096)	-	-	(5,388,541)
Vehicle	(4,519,118)	(2,339,276)	-	-	(6,858,394)
Total	(9,081,519)	(5,218,140)	-	-	(14,299,659)
Net	29,192,764				24,468,622
<u>Depreciation expense for the years</u>					
December 31, 2017					5,218,140
December 31, 2016					5,152,185

As of December 31, 2017, the Company and subsidiaries have the property with historical costs of Baht 1.24 million that are in use but fully depreciated (Separate: Baht 0.22 million).

14. Investment Property

	(Unit : Baht)			
	Consolidated			
	January 1, 2017	Increase	Decrease	December 31, 2017
<u>Cost</u>				
Land	13,356,941	-	-	13,356,941
Building	16,713,059	-	-	16,713,059
Tools and equipment	11,570,398	-	(630,000)	10,940,398
Furniture, fixture and office equipment	875,951	-	-	875,951
Total	42,516,349	-	(630,000)	41,886,349
<u>Accumulated depreciation</u>				
Building	(1,232,606)	(243,200)	-	(1,475,806)
Tools and equipment	(5,292,437)	(2,301,270)	414,245	(7,179,462)
Furniture, fixture and office equipment	(581,888)	(161,855)	-	(743,743)
Total	(7,106,931)	(2,706,325)	414,245	(9,399,011)
Allowances for impairment of assets	(10,859,653)			(10,859,653)
Net	24,549,765			21,627,685
<u>Depreciation expense for the year</u>				
December 31, 2017				2,706,325
December 31, 2016				2,123,656

15. Intangible asset

Movements of intangible asset for the years ended December 31, 2017 and 2016, are as follow:

	(Unit : Baht)			
	Consolidated		Separated	
	2017	2016	2017	2016
<u>Cost</u>				
Beginning balance	618,867,737	618,867,737	618,867,737	618,867,737
Additions	-	-	-	-
Transfer out	-	-	-	-
Ending balance	618,867,737	618,867,737	618,867,737	618,867,737
<u>Accumulated amortization</u>				
Beginning balance	(226,038,317)	(178,479,641)	(226,038,317)	(178,479,641)
Accumulated amortization for the years	(15,189,748)	(47,558,676)	(15,189,748)	(47,558,676)
Transfer out	-	-	-	-
Ending balance	(241,228,065)	(226,038,317)	(241,228,065)	(226,038,317)
<u>Ending balance</u>	377,639,672	392,829,420	377,639,672	392,829,420
<u>Less</u> Allowance for impairment	(377,639,672)	(353,887,686)	(377,639,672)	(353,887,686)
Net	-	38,941,734	-	38,941,734

Accumulated amortization have changed during the years as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Beginning balance	353,887,686	312,443,216	353,887,686	312,443,216
Increase - net	23,751,986	41,444,470	23,751,986	41,444,470
Ending balance	377,639,672	353,887,686	377,639,672	353,887,686

Intangible asset are as follows:

- 16.5 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 three years beginning 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.

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 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, 2017, remain at Baht 299.45 million, comprising:

a. Receivables under the Debt Restructuring Agreement remain as at December 31, 2017, of Baht 72.01 million (included VAT). The details are as follows:

Details	(Unit : Million Baht)
Accounts receivable under the Debt Restructuring Agreement	98.16
Less Payment received	(26.15)
Receivables under the Debt Restructuring Agreement as at December 31, 2017	72.01

b. Value under the Repayment Agreement of Baht 227.44 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	(27.35)
Value under the Repayment Agreement as at December 31, 2017	<u>227.44</u>

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

The Company recorded a provision for impairment of the rights with its net book value.

On September 7, 2017, MAT informed the Company that MAT was not entitled to the right to broadcast the Golf European Tour Program in Thailand for the years 2017 and 2018. The Company filed a lawsuit against MAT on September 21, 2017, which the Court arranged for the negotiation / plaintiff to testify on November 20, 2017. Later, the defendant postponed the mediation appointment to January 19, 2018, after which they could not mediate. The Court made the appointment to examine the plaintiff on May 17, 2018, and examine the defendant on May 18, 2018.

- 16.6 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.

- 16.7 The rights of broadcasting and broadcast sounds in movies at the cost of Baht 117.44 million, the Company has recorded a provision for impairment amount of Baht 22.49 million in the year 2015, and amount of Baht 23.75 million in the year 2017.

The broadcasting and broadcast sounds in EDGE SPORT contents at the cost of Baht 67.84 million, the Company has recorded a provision amount of Baht 41.44 million in the year 2016.

- 16.8 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 periods ended December 31, 2017 and 2016, amount of Baht 15.19 million and Baht 47.56 million respectively, were recorded as "Cost of broadcasting rights" and "Cost of programme co-production" respectively on statements of comprehensive income.

16. Other non-current assets

	(Unit : Baht)			
	Consolidated		Separated	
	2017	2016	2017	2016
Other deposits	39,035,804	65,011,817	38,935,804	64,897,817
Less Allowance for non-refundable deposit	(29,587,619)	-	(29,587,619)	-
Less Amortization of non-refundable deposits	(8,631,185)	-	(8,631,185)	-
Deposits - net	817,000	65,011,817	717,000	64,897,817
Withholding tax	6,801,075	7,530,253	6,801,075	7,530,253
Non-current assets held for sales	-	-	-	-
Venture capital	20,000,000	-	20,000,000	-
Other	14,000	-	-	-
Total	27,632,075	72,542,070	27,518,075	72,428,070

A As at December 31, 2017 and 2016, 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.

B Venture capital

The Meeting of the Board of Directors No. 18/2017 held on November 7, 2017 resolved to approve the joint investment with Triple Ch Holdings Company Limited (Triple CH), who is licensed to live broadcast football in the Philippines, having 35 percent stake in the joint investment, valued at Baht 30 million, to engage in the business of live broadcasting football in the Philippines. Triple CH had an agreement as regards the guarantee on business operation for a period of 18 months, starting from December 1, 2017 that revenue that the Company receives shall not be less than the investment that the Company has made to support the operation of live broadcasting football matches. In addition, the Company has a condition on the payment of the joint venture that the payment is subject to the opinions of the Company's legal advisor on legal status of Triple CH and the due authorization and license to operate the business of live broadcasting football matches.

The Company has already made a payment of Baht 20 million in November 2017.

The Company hired LEUNG WAI LAW FIRM through Norton Rose Fulbright (Thailand) Co., Ltd. to provide opinions on the status of Triple CH, which can be summarized as follows:

- Triple CH is a foreign company, registered in Samoa in accordance with the International Company Act 1988 on September 14, 2014 and would expire on November 30, 2017, unless it is being extended.
- Triple CH is a company duly established in accordance with the laws and has never violated any laws of Samoa.
- As the date of status inspection, Triple CH has a shareholder named Bernard Camacho Sumayao.

- Triple CH has the registered capital of USD 1,000,000, divided into 1,000,000 shares, at the value of USD 1 per share. The Company also hired Apisith and Alliance Co., Ltd. to review the rights under the Licensing Agreement between beIN Sports Asia Pte Limited (“**beIN**”) and Triple CH dated December 1, 2017, under which the terms can be summarized as follows:
- beIN and Triple CH agreed on the prices of the licensing fees comprising of the higher of:
 - The amount which cannot be disclosed since such information is trade secrets per 12 months period which shall be calculated on prorated basis; or
 - 20 percent of all gross revenue and an additional 15 percent of any gross revenue in excess of the amount which cannot be disclosed since such information is trade secrets.
- Triple CH agreed to pay the license fees as set out below:
 - 50 percent of the minimum guarantee upon execution of the agreement.
 - 50 percent of the minimum guarantee on or before March 1, 2018.
 - Any additional license fees must be paid within 30 days from receipt of the relevant monthly statement pursuant to the agreement.
- beIN agreed to grant to Triple CH the right to sub-license to ABS-CBN Corporation (“**ABS-CBN**”) the right to live broadcast the Premier League, UEFA Champions League and La Liga Season 2017-2018 (the “**Live Program**”) in the Philippines.
- beIN agreed to grant Triple CH the right to sub-license to ABS-CBN the right to use the logo of football clubs and trademarks which has been procured and authorized by the authorized persons of each of the clubs in connection with the Live Program, as well as the promotional activities relating to the Live Program.
- The license to live broadcast exclusively belongs to Triple CH in the Philippines. However, Triple CH is only licensed to live broadcast and rerun through free TV (FTA TV) transmissions only.
- The Company has considered the opinions of the legal advisor regarding the status of Triple CH and the license, as well as the method of business operation and then made a decision to enter into the joint investment. The payment as regards the joint investment of 10 million Baht will be paid when Triple CH is able to renew the license with beIN.

17. Loans from other persons

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

18. Long-term borrowing

(Unit : Baht)				
	Consolidated		Separated	
	2017	2016	2017	2016
Long-term borrowing	3,144,240	5,349,515	3,144,240	5,349,515
<u>Less</u> Deferred interest expense	(199,163)	(489,504)	(199,163)	(489,504)
Net	2,945,077	4,860,011	2,945,077	4,860,011
<u>Less</u> Current portion due within one year	(1,890,208)	(1,915,306)	(1,890,208)	(1,915,306)
Net	1,054,869	2,944,705	1,054,869	2,944,705

19. 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	
	2017	2016	2017	2016
Provision for employee benefits - beginning	1,498,125	1,056,211	1,498,125	945,889
Employee benefit expenses				
Current service cost	1,114,769	1,097,793	1,105,892	1,097,793
Interest cost	41,052	28,472	41,052	28,472
Actuarial (gain) loss	-	(574,029)	-	(574,029)
<u>Less</u> liability decrease from actual paid	-	(110,322)	-	-
Provision for employee benefits - ending	2,653,946	1,498,125	2,645,069	1,498,125

Principal actuarial assumptions at the reporting date (Actuarial basis)

(Unit : Baht)				
	Consolidated		Separated	
	2017	2016	2017	2016
Discount rate (%)	2.74	2.47 - 2.74	2.74	2.74
Future salary increase (%)	5.00	5.00	5.00	5.00
Retirement age (years old)	60	60	60	60

20. Other non-current liabilities

(Unit : Baht)				
	Consolidated		Separated	
	2017	2016	2017	2016
Guarantee received - co-production	2,830,050	2,830,050	2,830,050	2,830,050

21. 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 24, 2017, the warrant holders of DCORP-W1 exercised 2,062,972 units and the Company received Baht 6,186,288 from the issuance of 3,306,407 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on March 8, 2017. The Company therefore has paid-up capital of Baht 553,056,303.

On May 8, 2017, the last exercise date, the warrant holders of DCORP-W1 exercised 21,433,003 units and the Company received Baht 64,271,642 from the issuance of 34,351,469 shares to the warrant holders. The Company has registered the change in paid-up share capital with the Ministry of Commerce on May 23, 2017. The Company therefore has paid-up capital of Baht 587,407,772.

As at December 31, 2017, the outstanding balance of unexercised warrants (DCORP-W1) was 1,958,934 units.

22. Earnings (loss) per share

Basic earnings (loss) per share

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

Diluted earnings (loss) per share

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

	For the years ended December 31,			
	Consolidated		Separate	
	2017	2016	2017	2016
Diluted earnings (loss) per share (Baht)	(0.359)	(0.155)	(0.262)	(0.158)
Weighted average number of ordinary shares (Thousand shares)	574,830	556,667	574,830	556,667

23. 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.

24. 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, 2017, Income from network provider are as follow:

	(Unit : Baht)	
	Income after license	Total
Income from network provider	-	-
Income from service provider	405,000	405,000
Total	405,000	405,000

25. 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, 2017 and 2016, are as follows:

(Unit : Thousand Baht)
Consolidated
For the year ended December 31, 2017

	Income from programme co-production	Income from broadcasting rights	Sales income	Total
Income	26,999	16,709	5	43,713
Cost	(7,200)	(15,190)	-	(22,390)
Gross profit	19,799	1,519	5	21,323
Other incomes				15,335
Profit before expenses				36,658
Expenses				
Administrative expenses				(105,227)
Allowance for impairment of intangible assets				(16,870)
Loss from impairment of goodwill				(20,731)
Loss from impairment of investment in associates				(65,331)
Management benefit expenses				(24,064)
Finance costs				(411)
Share of loss from associates				(12,997)
Total expenses				(245,631)
Loss before income tax				(208,973)
Income tax				-
Net loss				(208,973)

(Unit : Thousand Baht)

Consolidated				
For the year ended December 31, 2016				
	Income from programme co-production	Income from broadcasting rights	Sales income	Total
Income	48,914	51,169	93,273	193,356
Cost	(18,600)	(48,733)	(77,080)	(144,413)
Gross profit	30,314	2,436	16,193	48,943
Gain on sale of investment in associate				19,805
Other incomes				26,534
Profit before expenses				95,282
Expenses				
Administrative expenses				(108,962)
Allowance for impairment of intangible assets				(41,444)
Management benefit expenses				(29,977)
Finance costs				(529)
Share of loss from associates				(673)
Total expenses				(181,585)
Profit before income tax				(86,303)
Income tax				-
Net profit				(86,303)

26. Acquisition of business

Aukkarawat Plant Renewable Energies company Limited

The Company has assigned the independent appraiser to evaluate such business fair value and assessed the fair value at the acquisition date of identifiable assets acquired and liabilities assumed of almost of subsidiaries which invested and the assessment process has been completed within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard 3 . The Company has retrospectively adjusted the provisional amount recognized at the acquisition date for the completed assessment process.

Land, building, machinery and equipment as at the acquisition date is measured by Level 2 (Using other quoted prices that are observable for the asset or liability, either directly or indirectly).

The restated financial statements for prior periods, investment in subsidiaries

Retroactively affect the statements of financial position as of December 31, 2016, as follows

	<u>(Unit : Baht)</u>
Statement of Financial position	
Property and equipment – net decrease	9,209,825
Goodwill increase	1,510,411
Non-controlling interests decrease	7,699,414

27. Financial instruments

27.1 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.

27.2 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.

28. Agreement

On May 19, 2016, the Company executed 2 memorandums of understanding with Philippines investors in order to engage in the due diligence exercise on 2 companies registered under the laws of the Philippines and engaged in the energy business in the Philippines by acquiring 40 percent of the shares in the 2 companies. On August 11, 2016, the Company paid the security deposit for the land lease for the construction of the solar power plant in the amount of Baht 22.40 million to representatives or authorized persons of the 2 companies as the owners of the land. If the project is not approved by the shareholders of the Company, the lessor shall return the security deposit in full within the period specified by the Company. The payment of such security deposit is approved under the capped amount of Baht 50 million from the meeting of the Board of Directors of the Company held on July 13, 2016.

On January 26, 2017, the Company's Board of Directors approved the investment in the solar power plants of Negros PH Solar Inc. (NPSI) having the production capacity under the Solar Energy Contract at 50 megawatts, located in the Philippines, by the purchase of 40 percent of the total issued ordinary shares in NPSI, in the total amount of 600,000 million US Dollars. Such investment must also be approved by the shareholders' meeting with the vote of not less than three-fourth of the total votes. The Company expects that the construction of this power plant project can be completed and commercially able to distribute power within 2017, with the project rate of return at the rate of not less than 15 percent. The Board of Directors considered this to be reasonable and beneficial to the Company and the shareholders. After the parties have fulfilled or waived (as per the methods stipulated under the agreement within October 2017) the conditions precedent stipulated in the share purchase agreement, the Company has already made the payment.

Nevertheless, on November 10, 2017, it was informed by the Company that NPSI could not obtain the construction permit for the project and may not provide the progress summary since there was a change in the policy with respect of the process and procedures of approval for the permit by the Department of Energy, the Ministry of Energy of the Philippines. Therefore, the Company had to cancel the investment in the project and the Company recorded the reserve for the security deposit which may not be refunded in the amount of Baht 34.10 million (consisting of the security

deposit of the land lease Baht 22.40 million, the operational costs for the acquisition of the construction permit of the project Baht 11.70 million) and wrote-off unrecalable security deposit (expenses for legal advisors, financial advisors, and technical engineering advisors) of Baht 8.63 million. However, the Company has officially given the notice to demand the security deposit for the land lease to the lessor twice and will proceed with legal procedures accordingly.

Later, on December 8, 2017, it was disclosed by the Company that the Company received the deposit for the sale shares in the amount of Baht 21.23 million from the escrow agent, while the security deposit for the land lease of Baht 22.40 million and the operational costs for the acquisition of the construction permit of the project in the amount of Baht 11.70 million, at the total amount of Baht 34.10 million, cannot be recalled.

In the consideration of the Board of Directors for the investment in the solar power plant project of Negros PH Solar Inc. (NPSI) on January 26, 2017, the Board of Directors resolved that the investment in NPSI's power plant was reasonable by considering the information from technical and commercial inspections, as well as legal due diligence.

For the technical inspection, the Company hired Infratech ASTM Co., Ltd. to conduct field inspection and evaluate the appropriateness of the area for the construction of the solar power plant through the tests of soil strength, the level of the area above the sea level and statistics of disasters, e.g. flood and wind storm in the past. For the construction of the power plant, the Company also prepared to hire a contractor which is a company ranked in the Fortune Global 500 to design and construct the power plant.

In the consideration on the commercial feasibility, due the high competitive in the construction market in Philippines, NPSI has been offered from a contractor to acquire 85 percent of the total funds for the construction of the project with NPSI being responsible for only 15 percent for the initial construction. The Company has further studied and found that other projects in the vicinity have received the same offer from other construction companies. This advantage results in the project rate of return of not less than 15 percent. In this connection, the Company hired Sims Property Consultant Co., Ltd. to evaluate the value of NPSI. From the result of the evaluation of NPSI, the value of 40 percent of NPSI's shares is Baht 757.20 million. The valuation of the project is the valuation of NPSI when it is fully operated. The valuation assumption includes the initial capital for start up in the amount of Baht 2,353.95 million. The project can immediately produce electricity with the duration of 25 years, and would be granted tax incentive from the government of Philippines, exempted from tax in the first 7 years, and pay corporate income tax at the rate 10 percent in the year of 8-13, and pay corporate income tax at the rate 30 percent in the year of 14-25, with the electricity tariff at 5.70 Baht per unit. Sims Property Consultant Co., Ltd. has evaluated at the discounted cash flow of the future subject to the condition that NPSI has a full capacity of 50 MW for 25 years calculated by the discounted rate at 8 percent.

Nevertheless, due to the investment of the Company was in the early stage of the application for a license to implement the project, the Company, therefore could negotiate for the purchase of 40 percent of shares at the price of 600,000 USD or approximately Baht 21 million. Comparing to the value of NPSI, with full operation, it is considered as reasonable remuneration.

In the part of the legal feasibility, the Company hired DFDL (Thailand) Ltd., which worked with a legal office in the Philippines, to review legal documents and licenses of NPSI. From the result of the review, NPSI was in the process of obtaining main documents, i.e. the construction permit for the project. The Company prescribes a condition for payment in the form of security deposit, whereby the security deposit shall be returned if the conditions precedent are not fulfilled, including the acquisition of the said construction permit by NPSI.

In the meeting of the Board of Directors, the consideration on the conditions and procedures for the acquisition of the construction permit of NPSI was considered and NPSI may obtain the construction permit when the Department of Energy, the Ministry of Energy of the Philippines has considered the application and conditions of the permits performed by NPSI and submitted to the Ministry of Energy. In this respect, the Ministry of Energy will announce the result of the approval of the development and construction of the project on the Ministry of Energy's website.

Nevertheless, the change of government of the Philippines resulted in the change in policy for the approval of the renewable energy power plant, whereby NPSI's project is pending for approval and the result of the acquisition of the construction permit of the project is delayed without a specified period.

The Board of Directors approve the payment of the security deposit of Baht 34.10 million before the shareholders approved of the investment in the project.

The Board of Directors has considered the payment of security deposit of Baht 34,102,184.62 because the Company is the new investor in the energy business in the Philippines. Therefore, if the Company acquires shares of the power plant project in such manner at the time when the project is almost to get commercial return, or the project has been granted relevant licenses, the Company expects that the prices of the projects would rise to the higher level, or at the market price of approximately Baht 700 million valued by an independent valuer. Comparing in the aspect of investor confidence, the Company may be more disadvantage than other companies in the market. Therefore, the Company has decided to invest in this project at an early stage which may jointly manage possible risks occurring from the investment in very greenfield stage. As such, the Company has negotiated to purchase 40 percent of shares in the amount of 600,000 USD or approximately Baht 21 million; provided that the Company would be responsible for reservation payment of land of the project.

However, such payment is under the terms for the refund in various conditions including the condition that the project needs the approval from the shareholders. The security deposit is an appropriate amount when comparing to the value of the NPSI when it is fully operated. Further, the security deposit of the land lease, and the operational costs are necessary as follows:

- 1) Deposit for the land lease in the amount of Baht 22,398,461.41 which was paid after the preliminary result of due diligence exercise on NPSI.

The Company considered making this part of payment prior to the approval of the shareholders because, for power plant projects in the Philippines, the location of the land for which the power plant is to be located is the material factor in the approval of the project. The reason is the land is one the conditions to get the license to study and explore the power plant project ("**Service Contract**") which must not overlap with other projects that have received a Service Contract. Therefore, NPSI was required to procure land in order to receive the Service Contract. Moreover, leasing the land at the beginning of the project will help to manage rental prices to be at the market level and does not let others take an opportunity to take advantage to raise prices if the project is licensed for Service Contract that has been specified the project area. Further, land procurement is considered as high risk because if the Company cannot enter into the land lease agreement according to the location specified in the Service Contract, it will result in an increase in the cost

of the operation for new Service Contract application where the project could, in fact, enter into the land lease agreement. The Company, therefore, entered into an agreement to have the possessory right over the land so that NPSI may apply for the right to develop the project without the land procurement risk and for the liquidity of the project at the early stage which is competitive. The Company did not make this payment in proportion to the shareholding percentage because the Philipinos shareholders agreed to be responsible for the procurement of the possessory right over the land while the Company agreed to make the security deposit payment. Eventually when the project can be operated, the security deposit will be deemed as expenses of the project whereby NPSI has the duty to return to the Company in the propotion in which the Company has overly paid.

- 2) The payment for the operational costs for the acquisition of the project construction permit in the amount of Baht 11,703,723.21 was made after the consideration of the result from due diligence exercise on NPSI.

The Company considered and made the payment for this sum prior to the approval of the shareholders because, for power plant projects in the Philippines, NPSI must obtain the project construction permit. The Company did not make the payment in proportion to its shareholding because the Filipinos shareholders agreed to be responsible for the acquisition of the project construction permit while the Company agreed to make the payment for the operational costs. Eventually when the project can be operated, the security deposit will be deemed as expenses of NPSI whereby NPSI has the duty to return to the Company in the propotion in which the Company has overly paid.

Moreover, for the 2 investment items in the total amount of Baht 34,102,184.62, the Company paid for such payment on the condition that the Company can demand for a return of the capital investment from NPSI's shareholders if NPSI may not operate the project and if the shareholders of NPSI refuse to return the security deposit, the Company is entitled to file a suit against NPSI's shareholders under the conditions stipulated under the agreement.

The names of the shareholders of NPSI and the lessor of the land is MS. MARIA CELIA RAMONA S. MONFORT, a citizen of the Philippines, who has no relationship with the Company in terms of shareholding, director, executive, or related party.

However, the reason that the Philippines shareholder is the lessor is the Company has asked the Philippines shareholder to help to negotiate and to compile land from the owners. The Philippines shareholder does not own the land. Nevertheless, there is a duty to complied land for lease so as to the project can apply for relevant license such as Service Contract or construction licenses, etc.

1. The deposit of Baht 22,398,461.41 is under the agreement for the Company to place the security deposit for the land reserved in order for NPSI to lease the land at a later date. The conditions for the Company to claim for the refund of the security deposit are as follows:

- (1) When the conditions of entering into the project land lease agreement has been fulfilled or waived by the relevant contracting party.
- (2) When NPSI may not enter into the project land lease agreement with the land owner.

(3) When the Company is not approved to lease the project land.

Therefore, due to for the cancellation of the Company to invest in NPSI is considered as the disapproval of the lease of the land, the Company received the refund of the capital investment placed as the security deposit. Currently, the payment due date is under the negotiation and the Company expects that the Company will receive the refund within Quarter 3/2018.

2. For the security deposit for the operational costs for the acquisition of the construction permit, the conditions for the Company to receive the refund are as follows:

(1) When the parties may not procure that NPSI obtains the construction permit.

(2) When the Company is not approved to proceed with the project.

The cancellation of the investment in NPSI resulted in the Company's entitlement in the full refund of the security deposit. Currently, the Company is under the negotiation for the counterparty to return the security deposit. In this connection, the counterparty agreed to enter into the agreement to return the security deposit which has the payment period for the total amount within August 15, 2018.

If the Company received a refund. The Company will recognize the allowance for reversed damages. And recognized as other income in the statement of income for the period of repayment.

29. Commitments

The Company has entered into building space rental agreement with an unrelated company. The lease term of 3 years expires on November 30, 2020. The rental rate is Baht 174,250 per month.

The Company has entered into service agreements with an unrelated company. The lease term is 3 years. The contract expires on November 30, 2020. The service fee is Baht 139,400 for the first year, Baht 156,825 for the second year and Baht 174,250 for the third year.

30. Expenses by nature

Significant expenses by nature for the years ended December 31, 2017 and 2016, are as follow:

	For the years ended December 31,			
	Consolidated		Separate	
	2017	2016	2017	2016
Fee for the assignor of co-production	7,200,000	17,096,907	-	9,896,907
Depreciation and amortisation expenses	24,410,303	55,552,539	20,407,888	52,710,860
Salaries and other employee benefits	11,127,675	12,260,402	10,203,444	10,058,079
Professional fees	10,812,111	17,991,466	9,566,894	15,893,572
Office rental and service expenses	4,310,823	5,333,603	3,380,450	3,345,600
Loss from impairment				
Intangible assets	16,869,981	41,444,470	16,869,981	41,444,470
Goodwill	20,731,191	-	-	-
Investment in subsidiaries	-	-	42,560,511	2,820,583

Investment in associate	65,330,845	-	-	-
Management benefit expenses	24,063,542	29,977,196	21,899,948	26,560,917

31. 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, 2017, debt to equity ratio in the consolidated financial statements is 0.04:1 (Separate: is 0.03:1).

32. Reclassification

Certain transactions in the financial statements for period 2016 have been reclassified in accordance with the Notification of the Department of Business Development dated October 11, 2016 regarding "The Brief Particulars in the Financial Statements B.E. 2560".

33. Approval of the interim financial statements

These interim financial statements have been approved by the Company's Board of Directors on February 27, 2017.

6. Auditor's Remuneration

Accuracy and Completeness Form of the Fee paid to the auditor
for the year ended December 31, 2017

Audit Fee

Item	Paying Company	Name of auditor	Audit fee
1	Demeter Corporation PCL.	Mr. Jadesada Hungsapruet	1,574,467
2	Demeter Power Co., Ltd.	Mr. Jadesada Hungsapruet	366,400
Total audit fee			1,940,867

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 *Jadesada Hungsapruet*

(Mr.Jadesada Hungsapruet)

Karin Audit Co., Ltd.

Auditor of Demeter Corporation PCL.



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CORPORATION

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