



# TVD ANNUAL REPORT 2016

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ANNUAL REPORT 2016 TV DIRECT PUBLIC COMPANY LIMITED





**“Forever in Our Heart, Forever Our King”**





# 9 Talents of King Rama 9

Talents and intelligence of His Majesty King Bhumibol Adulyadej The Great were evident by Thai people in all fields. Over 70 years of his reign, all Thai people acknowledged that he had worked hard for solving all problems of Thai people for long period. His Majesty the King also had talents in various fields.

When a BBC correspondent received his permission for an interview with His Majesty for its TV documentary show, The Soul of Nation, in 1979, he asked His Majesty for a view on the role as the Thai Monarch, His Majesty said:

“To explain the meaning of the term monarch seems to be a question quite difficult to answer, especially, in my own case as I’m being known generally as the monarch. In fact, my role is far from being a duty of a monarch as generally understood before. My present duty is to do whatever useful. If asked how many plans I have for the future. My answer is I have no plan. We don’t know what will happen in the future. But no matter what would happen, I will choose to do only useful things, which I think that’s good enough for me.”





## Environmental Talent



His Majesty the King gave his royal kindness to establish the King's initiative project Royal Rainmaking Project and Vetiver Grass Project

### **the King's initiative project Royal Rainmaking Project**

This project was established under the initiative of His Majesty King Bhumibol Adulyadej with the aim to make artificial rain for reducing draught encountered by farmers.

### **Vetiver Grass Project**

"...Everyone should pay attention, observe, and study on the stories of surrounding persons and things related to himself/herself without ignoring or omitting even small things such as grass. If we study on those things deeply, they can give use the wisdom. There are several types of grass that give both advantages and disadvantages. "Vertivar" is a kind of grass that is very beneficial for soil and water conservation due to its long roots directly spreading to the soil helping to maintain water and hold the soil. Vertivar also grows closely to others therefore it helps to maintain soil surface properly...."

His Majesty King Bhumibol Adulyadej's Royal Speech given in 1987.

## Talent on Communication Radio



In 1952, His Majesty King Bhumibol Adulyadej established a radio station under the name of Au Sau Station - the Dusit Palace's radio station, as the media for publicizing and communicating with Thai people as well as providing some opportunities to Thai people to communicate with him easier. The name of this station was the abbreviation of Amphorn Satharn Villa that was the first location of this broadcasting. Subsequently, Au Sau Station was removed to the Chitralada Villa Royal Residence. Au Sau Station was firstly a small radio station with two 100 watt transmitters.

In addition, this radio station was also the media expressing his royal kindness given to Thai people who were in troubles when they had to encounter with some disasters.



## Musical Talent



His Majesty the King initiated to broadcast a live radio program allowing Thai people to donate for charity and request for some songs played by him and Au Sau Friday Jazz Band consisted of some professional jazz musicians who could play various kinds of musical instrument. In addition, there are also many songs composed by His Majesty the King.

In addition, His Majesty the King was also admired by the Office of the National Culture Commission in 1986 to be the national Supreme Artist. His Majesty the King had practiced some musical instrument since he was 10 years old. He learned how to play the saxophone, musical theory, notes and scales theory. His Majesty the King collected some personal money and bought the clarinet before practicing the saxophone with some gramophone records of some famous bands, for example, Johnny Hodges and Sidney Bechet and Dixieland Jazz is the favorite music genre of His Majesty the King.

## Inventive Talent



His Majesty the King repaired a sewing machine for Khun Tow In Suriya, his nanny, and he also established the Tor 91 -99 OPV Construction Project and the Chaipattana Aerator Project.

His Majesty the King was skillful in technician works including works of carpenter, metal worker, and engineer. This was the basic skills of engineering field he studied in higher education level. He had invented his own toys since he was young including glider, imitated warship called "Sri Ayutthaya", and light screen used with cameras. Besides his interest in sailing, he also built some sailboats by himself in all procedures classified by international standards including "Rajchapratan" classified in Enterprise Class, "Nawalerk", "VEGA 1", "VEGA 2", and "VEGA 3" classified in OK class, and "Super Moth", "Micro Moth", and "Moth" for Moke Class.



## Talent of Educational Development



In 1996, the Distance Learning Foundation was established with Distance Learning Television Station Wang Klai Kang Won for broadcasting instruction to network schools throughout Thailand. Talent on Communication Radio

In 1952, His Majesty King Bhumibol Adulyadej established a radio station under the name of Au Sau Station - the Dusit Palace's radio station, as the media for publicizing and communicating with Thai people as well as providing some opportunities to Thai people to communicate with him easier. The name of this station was the abbreviation of Amphorn Satharn Villa that was the first location of this broadcasting. Subsequently, Au Sau Station was removed to the Chitralada Villa Royal Residence. Au Sau Station was firstly a small radio station with two 100 watt transmitters.

In addition, this radio station was also the media expressing his royal kindness given to Thai people who were in troubles when they had to encounter with some disasters.

## Sports Talent



His Majesty King Bhumibol Adulyadej preferred many kinds of sports, for example, sailing, badminton, water ski, shooting sport, golf, racing, tennis, and swimming. He was talented in sailing explicitly because he won the international sailing competition in 1967 by the sailboat built by himself in the 4th Sea Game for OK class. He gave the name of such sailing boat as "VEGA" (a name of a bright fized star) and he privately sailed this sailboat to cross the Gulf of Thailand from Klai Kangwon Palace to Toey Ngarm Beach in Royal Thai Marin Corps.



## Religious Talent



His Majesty the King had performed many royal duties for promoting religions. The most important royal duty was entering Buddhist priesthood from October 22nd – November 5th, 1956 for 15 days. Although it was a short period due to his remaining royal duties, His Majesty the King truly expressed his faith to Buddhism as shown in his royal speech on Buddhism given to the representatives of Buddhist associations throughout Thailand who appeared before him on December 13th, 1980, stated that: “All of you expect that my merit and virtue will protect Thailand. It is interesting to consider because Thailand is consisted of people and each person has to behave himself/herself under the principles of Buddhism. Each person needs happiness and happiness is tranquility that has to be created by yourself. Therefore, it is difficult to wait for protection from others. It is impossible to be happy by depending on others. This is the most important principle of Buddhism. Any person considering himself/herself as the good Buddhist must rely on herself/himself. However, it is possible to rely on others by observing behavior of people with good practices as well as relying on suggestions of persons behaving rightly. Consequently, it is necessary to consider whether such person is the right person to rely or not. This will help you to achieve success and happiness....”

## Artistic and Literary Talent



In 1989, His Majesty the King learned painting and drawing seriously before painting 100 pictures of realistic, ideological, and abstract styles. In his spare time, His Majesty the King preferred composing and translating some books and articles, for example, “Intrepid” of William Swenson, and “Tito” that was the biography of Josip Broz Tito composed by Phyllis Auty. The most well-known literary work of His Majesty the King among Thai people is “The Story of Mahajanaka” that was translated into Thai, English, and Sanskrit by His Majesty the King. In addition, he also added a map created by him in this literature in order to explain the geographic locations of some ancient cities as well as some metrology information on wind direction, sailing schedule, and the location where the ship in this story was sank.

## Photographic Talent



When His Majesty the King was 6 years old, he collected some personal money to buy his first camera in the amount of 2.50 CHF. When he travelled to any place, he always brought this camera with him and always took photos.

### The First Camera of “Nai Luang”

The first personal camera of His Majesty King Bhumibol Adulyadej was “Contax U” camera manufactured in Germany that was bought when he was a younger brother of King Rama IIX. This camera was the same camera he used for taking photos of Queen Sirikit when she was M.R. Sirikit Kitiyakorn, on their royal wedding held at Srapathum Palace in Bangkok on April 28th, 1950.

Subsequently, such camera was replaced by some cameras in “Canon EOS” family started from EOS 100 to EOS 100 F with the weight of 510 grams. Subsequently, he always change his cameras to newer models launched to the market. However, he always preferred cameras in “Canon EOS” family due to its light weight and convenience for carrying. His Majesty the King always used only one size of the lens without changing that was 28-105 mm.

When His Majesty the King performed the Royal Barge Procession in 2000, he travelled by the “Narayana Song Suban” King Rama IX Royal Barge along Chao Phraya River. At that time, he carried a special small camera with “Carl Zeiss” lens for taking photos. He only moved his face slightly without lifting the camera to his eyes level but he could take pictures. This exhibited his true talent on photography.



The logo for TV DIRECT PUBLIC COMPANY LIMITED is centered on a black background. It features the words "TV DIRECT" in a large, bold, white sans-serif font. Below this, the words "PUBLIC COMPANY LIMITED" are written in a smaller, all-caps, white sans-serif font. The text is framed by two horizontal white lines that curve upwards at their ends, creating a decorative, shield-like shape.

**TV DIRECT**  
PUBLIC COMPANY LIMITED

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“Investors can see additional information of the company from annual report  
(Form 56-1) as shown in [www.sec.or.th](http://www.sec.or.th) or [www.tvdirect.tv/investor](http://www.tvdirect.tv/investor)”





## Message from Chairman



## Message from the Company's President and CEO

### Dear Shareholders,

The year of 2016 was a mourning year for Thai people due to passing away of King Bhumibol Adulyadej who was considered as the king with the longest life of 89 years and more than 70 years of reign that was longer than all kings in Thailand's history. With his intelligence and abilities in all fields, His Majesty the King had performed several royal duties and committed to the virtues of the king as the real model for Thai people. He had also given some initiatives and royal speeches to many groups of people in various occasions as the suggestions and guidelines for demeanour. In addition, His Majesty the King had also promoted morality, ethics, and integrity of Thai people in order to make Thailand pleasant with unity giving huge benefits to Thai people.

All executives and employees of TV Direct Public Company Limited, as same as other Thai people, will adopt his majesty the King's initiative and royal speeches to be the concept and guidelines of our business operation further.

The year of 2016 was also another year with peaceful political situation but with economic fluctuation in domestic and international levels, severe drought and disasters affecting to agriculture and business sector plus with continuous and severe competition that may be getting more severe due to new competitors. Accordingly, it was also considered as another year of difficulty. However, with effort and determination of our executives and employees to perform their duties with their full potential, our company still earned total income higher than what we expected but with net profit lower than our goal due to aforementioned causes.

Partnership of Tri-Stage Inc. in July 2016 has helped to strengthen our company because Tri-Stage Inc. is the leader of TV Shopping business from Japan, whereas, Tri-Stage Inc. holds 1.5% of our company's shares. Moreover, in last December, we decided to increase proportion of shareholding in J.M.L. Direct (Thailand) Company Limited from 60% to be 100% by purchasing 40% of shares from John Mill Company Limited, the former shareholder. Subsequently, such company was renamed to be Last Mile Direct Company Limited focusing on Logistic and Fulfillment business by adding more personnel with marketing experience to strengthen our management team that can be believed that they will enhance our delivery system more sufficiently.

In 2017, we have believed that expansion of Home Shopping business still increases continuously and there would be some new competitors join the market increasing severity of competition. However, with our experiences, strategies, and professional management, we have been confident that we are certainly able to achieve our goals.

Our company has committed and emphasized on all participants and stakeholders in all sectors including internal participations and stakeholders (e.g., employers and executives) o external participants or stakeholders (e.g. trading partners, competitors, creditors, communities, and other related organizations) because we have realized on fairness in treating our stakeholders properly. Consequently, our company can gain good turnover with ethics, sustainable and permanent stability. With the commitment and willingness in management with transparency and good corporate governance, the Company has been evaluated on the corporate governance of the listed company in 2016 with “Very Good” level (CG 4 stars) from “Thai Institute of Directors” on the second year running. The Company also receives full 100 % mark from the quality evaluation for its Annual General Shareholders’ Meeting for the year 2016 from Thai Investors Association on the third year running.. The Company will also emphasize in the promotion and development of the good corporate governance as always

Finally, on behalf of the company’s Board of Directors, we would like to thank all shareholders, investors, customers, business partners, related public agencies, and supporters to always give us trust and support. In addition, we would like to thank all employees to always give your physical and mental effort in leading our company to grow further strongly and stably. In addition, our company has strived to operate our business with transparency and the Principles of Corporate Governance along with social responsibility for growing our company sustainably along with Thai society. Moreover, we have strived to give good return to all shareholders to express our appreciation in your long-term trust given to our company consistently.





A stylized, handwritten signature in white ink, appearing to read 'Tada'.

Mr. Tada Charukitpaisarn  
Chairman of the Board

A stylized, handwritten signature in white ink, appearing to read 'P. Chalakornkul'.

Dr. Pisut Chalakornkul  
Chairman of the Executive Committee

## Message from Chief Executive Officer

### Dear Shareholders of TV Direct Public Company Limited

In 2016, one of our graceful successes is receiving 2 dignified awards representing our Good Governance to perform our operation sustainably, namely, SET Sustainability Awards and Investor Relations Awards. Moreover, we also declared our intention on Anti-Corruption (CAC) as the 147th order and we are also taking the action on policies and inspection that is expected to be operated in the 3rd quarter of 2017. This enables our company to be successful in turning around our multi-screen business as well as adjusting our work procedures in process, policy, and structure levels. There are many procedures that are needed to be invested under a period of time for gaining the explicit results in the 2nd quarter of 2017.

The results of the first three quarters met with defined plan, whereas, the profit of consolidation was 69 million baht and interim dividend was paid in the amount of 46 million baht (0.07 baht per share). In addition, our company started to buy more media upon the plan of the last quarter but the broadcasting had to be suspended for 30 days in order to send our condolence over the death of the King Rama IX who was the beloved king. Consequently, the total profit of consolidation was only 14.47 million baht throughout the year while the profit of single-step income statement was 49 million baht.

Accordingly, I would like to conclude the business operation of TV Direct Public Company Limited into 2 parts as follows:

### 1. TV Direct Public Company Limited (Single Company)

The company has been operating Multi-Screen Model business consisted of 3 business fields as follows:

#### 1<sup>st</sup> Screen : Direct Shopping

This business field relies on television media mainly as the main media for selling. Our company purchases the media in all three types of television media including digital TV, satellite TV, and cable TV. In 2016, Digital TV was mostly changed because selling products via television were accepted by every channel in the second quarter of 2015. Although there are more media for selling, efficiency of media is required to be considered because the number of audiences per minute was reduced. Although the price of broadcasting per minute was reduced, the price per audience was increased for several times including the prices of advertising, TV program rental, Product Placement, and the use of channel for 24 hours. However, our company also gained the KnowHow from Tri-Stage Company that is the number one TV direct selling of Japan for applying. Nevertheless, due to complexity of different kinds of media, program amendment was delayed and we expected that we will have a chance to test such program in the second quarter.

Besides television media, there is also Outbound Call Center in this business field that is one of Direct Marketing's methods causing the old customers to repeat purchasing and develop to Track of Customer Royalty. Although the number of sellers is inadequate upon the action plan, improvement of competency can increase sales volume per staff to be higher than expected goal significantly.

Integration of company's database system with credit card companies enables mail shopping business still grows continuously. With Personalize Marketing, One to One communication can be operated more efficiently. In each year, our company still delivers over 10,000,000 copies of our publications to our target groups. Besides gaining worthwhile sales volume, we also build recognition on our products and our company's branding.

## 2<sup>nd</sup> Screen : Online Shopping

In 2015, Thailand's online business reached to 1% Trigger Explosion Rate, i.e., the total sales volume of the major entrepreneurs of E-Commerce business was 1% of total sales volume of the major entrepreneurs in retailing business. This referred that the growth of Thailand's online shopping will be higher by 1-8 times in the next 4 years. In addition, the country with the opportunity of online market that will be ranked as the 5th rank of the world is also Thailand.

In 2016, the company gave our effort in building the new teams of online business dividing into Online Shopping Division for online trading and Online Marketing Division for marketing company's products and providing online marketing services to products of other companies. Although our teams are not complete as planned, we are able to increase our online sale volume by 68 % from 2015. There are several levels of online selling varied from the top level including Market Place, General Mall, Vertical Website, Web Daily Deal, to S-Commerce including all shops in Social Media. For our company, we are General Mall Shopping Website, i.e., we sell products in the format of B2C and all selling processes are performed by the company completely. Retailing situation

## 3<sup>rd</sup> Screen : Retail Shopping

Although the growth of online business is continuing efficiently, Thailand's mass marketing is considered as the Emerging Market leading to fragments of customer groups. The biggest customer group of Thailand is Baby Boom who still use retailing distribution in purchasing their consumable products mainly. Accordingly, there is no doubt why retail department stores are still expanded continuously and rapidly.

Our company also has the business model requiring to utilize benefits from advertising fully, therefore, our company's retail stores were firstly established in 2016. We opened a branch that made no profit and we have been opening new branches up till now. There are totally 87 branches of our retail stores divided into 47 branches of our stores in some department stores and 35 branches outside department stores. Consequently, we are able to increase our sales volume by 22% from 2015.

In addition, our company has also operating the wholesale business by distributing our products via OFFLINE (Big C, Watson, Tops, Tesco, etc.) and ONLINE (Lazada, 11Street, iTrueMart, COL, Robinson, etc.) channels. Although the sales volume of wholesaling was not quite high in 2016, we could see the tendency of higher growth in the future because our products presented to our trading partners were consisted of advertising, PR relations, and marketing. Moreover, we also adjusted our process to be consistent with the process of OFFLINE and ONLINE channels completely in the last year.

## 2. a TVD Group of Company

**TV Direct Public Company Limited is consisted of 4 associated companies that have been operating the business as well as developing the main business and supporting business of TVD company group.**

### **TVD Shopping Company Limited (TVDS)**

This company is a joint venture with Momo inc. of Taiwan operating Home Shopping business with 24 hour distribution channel. In 2016, this company had operated its business as the 3rd year and could gain sales volume over than billion baht and earn profit of 70 million baht. Home Shopping is different from existing business of TVD on TV Shopping including products supplying, media management, and TV program production. Momo provided such Knowhow to our company enabling this business to be successful properly.



### **TVD Broker Company Limited (TVDB)**

We obtained the license for providing life insurances, and non-life insurances and our main channel to offer our coverage to 4.0 million customers listed in the database of TVD in 2016 was Telesale Call Center. We started to focus on selling car insurances and it was the fact that we were unable to gain any profit in the first two years until we reached the Economy of Scale in the third quarter. In 2016, our loss was around 20 million baht.

### **TVD Services Company Limited (TVDZ)**

It is a company that it 100% invested by TVD (formerly named TV Direct Indochina) for establishing as the Share Servicing Company to provide supporting services to TVD associated companies, especially for HR and MIS services, in order to save more time of management of each company in building income. In addition, this company helps to distribute our expenses efficiently. Moreover, TVDZ is also the company holding the licenses of satellite TV stations of TVD company group. Accordingly, we earned the profit from this company's operation in the approximate amount of 4 million baht in 2016.

### **Last Mile Direct Company Limited (LMD)**

This company was formerly named JML Direct (Thailand) Company Limited. After stopping joint venture with JML U.K, its name was changed to current name and its business model was also changed to become Last Mile Services in December 2016. This company is responsible for managing product delivery for all companies of TVD group. Due to the rapid growth of Virtual Shopping business like TV Shopping, Home Shopping and Online Shopping, home shopping becomes the popular channel with high potential. LMD services are different from those of other service providers because we are able to delivery large products and assemble products that are our 17 year experience. For the turnover of the first year and the turnover of JML, we encountered with the loss of 4 million baht approximately.

That is the conclusion of 2016 of TV Direct Company Limited and our associated companies. We have already changed the loss of 2015 to be profit in 2016. Our 2017 challenge will affect to dynamics of Technology Transformation creating several Disrupt Businesses as well as building some opportunities to our business operation leading to Competition Transformation. Since there is changing of business competitors in Thailand, we have to face with new competitors from other business fields. Consequently, the competition becomes more serious requiring us to change our model at all times and these two kinds of changing cause Customer Transformation. In addition, Thai government also establishes some policies on Digital TV. Today, the control power has already changed to be under the power of consumers truly with the weapon called "mobile phones". However, with our business model supporting Emerging Market like Thailand, we are confident that MULTI-SCREEN strategy will be effective in 2017 certainly. Subsequently, we will start to harvest the crops of what we have already improved, changed, and invested.

In 2017, we emphasize on BPO (Business Process Outsourcer) business, whereas, our company has Infrastructure (structure and work process) that we have been utilizing for using in our own company, for example, Call Center, Database Management System, Home Delivery as well as Media Management (Buy, Place, Analysis) with a Strategic Partners, TRI-STAGE INC, as the major shareholder of the company.

Finally, I would like to thank all investors who have always trusted in investing with TV Direct Public Company Limited and we will strive to develop our products for further sustainability.

Please be kindly informed.

Yours faithfully,



Mr. Songpol Shanmatkit  
Chief Executive Officer  
TV Direct Public Company Limited



## Board of Directors

**1** Mr. Tada Charukitpaisarn  
Chairman of the Board /  
Chairman of the  
Audit Committee and  
Independent Director

**2** Mr. Songpol Shanmatkit  
Director

**3** Mr. Thanabul Maturanont  
Director

**4** Dr. Pisut Chalakornkul  
Director

**5** Mr. Wirasack Wirojwattanakul  
Director



**6** Mr. Chalermpong Mahavanidvong  
Director

**7** Mr. Yutaro Suzuki  
Director

**8** Mr. Suthep Suebsantiwongse  
Independent Director

**9** Mr. Anucha Chintakanond  
Independent Director





## Executive Committee

- |                                                                        |                                                         |
|------------------------------------------------------------------------|---------------------------------------------------------|
| <b>1</b> Dr. Pisut Chalakornkul<br>Chairman of the Executive Committee | <b>4</b> Mr. Wichian Manapongpan<br>Executive Committee |
| <b>2</b> Mr. Songpol Shanmatkit<br>Executive Committee/CEO             | <b>5</b> Mr. Thanabul Maturanont<br>Executive Committee |
| <b>3</b> Mr. Wirasack Wirojwattanakul<br>Executive Committee           |                                                         |



## Audit Committee

- 1 Mr. Tada Charukitpaisarn**  
Chairman of the Audit Committee  
and Independent Director
- 2 Mr. Anucha Chintakanond**  
Audit Committee Member
- 3 Mr. Suthep Suebsantiwongse**  
Audit Committee Member



## Nomination & Remuneration Committee

**1** Mr. Phongsuree Bunnag  
Chairman of the Nomination  
and Remuneration Committee

**2** Mr. Songpol Shanmatkit  
Nomination and Remuneration  
Director

**3** Dr. Pisut Chalakornkul  
Nomination and Remuneration  
Director



## Management Committee

**1 Mr. Songpol Shanmatkit**  
Chairman of Management  
Committee / Chief Executive Officer

**2 Mr. Wichian Manapongpan**  
Management Committee /  
Head of Finance and Accounting

**3 Mr. Pongchai Shanmatkit**  
Management Committee /  
Head of Direct Shopping

**4 Ms. La-orsri Maturanont**  
Management Committee /  
Head of Merchandise Marketing

**5 Mr. Yuvaboon Khamwangyang**  
Management Committee / Managing  
Director TVD Services Co., Ltd.





Details of Executives  
and controlling persons  
of the Company



## Details of Executives and controlling persons of the Company as at December 31, 2016

| Name/Position                                                                       | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                                                                                             | Stake in the company             |                        |                              |                        |                                  |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                         |                               |                                                         |                                  |                                         |
|-------------------------------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------|------------------------------|------------------------|----------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|-------------------------|-------------------------------|---------------------------------------------------------|----------------------------------|-----------------------------------------|
|                                                                                     |     |                                                                                                                                                                                                                                                                                              | As at December 31, 2015 (Shares) |                        | Change in Year 2016 (Shares) |                        | As at December 31, 2016 (Shares) |                        |                                           | As at December 31, 2016 (%)                                           | Duration                | Position                      | Company Name                                            | Type of Business                 |                                         |
|                                                                                     |     |                                                                                                                                                                                                                                                                                              | Own                              | Spouse and minor child | Own                          | Spouse and minor child | Own                              | Spouse and minor child |                                           |                                                                       |                         |                               |                                                         |                                  | Total                                   |
| Mr. Tada Charukitpaisarn<br>Independent Director<br>Chairman of the Audit Committee | 62  | - Master of Arts from Communication Arts Faculty in Marketing / Advertising, North Texas State University<br><br>- Bachelor degree from Faculty of Science, Chulalongkorn University<br><br>- Training courses in Director Certification Program (DCP) class 98/2008, and UFS class 13/2008. | 164,228                          | -                      | -                            | -                      | 164,228                          | -                      | 164,228                                   | 0.03%                                                                 | -                       | July 2015-Present             | Chairman of the Board                                   | TVD Broker Co., Ltd.             | Insurance Broker                        |
|                                                                                     |     |                                                                                                                                                                                                                                                                                              |                                  |                        |                              |                        |                                  |                        |                                           |                                                                       | August 11, 2016-Present | Chairman of the Board         | TV Direct Public Company Limited                        | Multichannel Marketing           |                                         |
|                                                                                     |     |                                                                                                                                                                                                                                                                                              |                                  |                        |                              |                        |                                  |                        |                                           |                                                                       |                         | April 2013-Present            | Independent Director<br>Chairman of the Audit Committee | TV Direct Public Company Limited | Multichannel Marketing                  |
|                                                                                     |     |                                                                                                                                                                                                                                                                                              |                                  |                        |                              |                        |                                  |                        |                                           |                                                                       |                         | November 3, 2010 - April 2013 | Independent Director<br>Audit Committee                 | TV Direct Public Company Limited | Multichannel Marketing                  |
|                                                                                     |     |                                                                                                                                                                                                                                                                                              |                                  |                        |                              |                        |                                  |                        |                                           |                                                                       |                         | April 2011 – June 2013        | President                                               | Krungsri Credit Card Co., Ltd.   | Credit card and credit provider service |
|                                                                                     |     |                                                                                                                                                                                                                                                                                              |                                  |                        |                              |                        |                                  |                        |                                           |                                                                       | 2004 – 2010             | Senior Vice President         | CIMB Thai Plc.                                          | Commercial bank                  |                                         |
| Director / Executive Position in Other Listed Companies                             |     |                                                                                                                                                                                                                                                                                              |                                  |                        |                              |                        |                                  |                        |                                           | (none)                                                                |                         |                               |                                                         |                                  |                                         |

| Name/Position                                                                                      | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                                                                                                                                      | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                                   |                                                                                                                       |                                                                                                                                                                       |                                                                                                                                                                       |                                                                                                                                               |
|----------------------------------------------------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                    |     |                                                                                                                                                                                                                                                                                                                                       | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | Duration                                                              | Position                          | Company Name                                                                                                          | Type of Business                                                                                                                                                      |                                                                                                                                                                       |                                                                                                                                               |
|                                                                                                    |     |                                                                                                                                                                                                                                                                                                                                       | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |                                   |                                                                                                                       |                                                                                                                                                                       | Total                                                                                                                                                                 |                                                                                                                                               |
| Mr. Songpol Shannakitt Director (Authorized Signatory) Executive Committee Chief Executive Officer | 46  | - Master degree in Computer Engineering Management, from Assumption University<br><br>- Bachelor degree from Business Administration Faculty in Administration, Assumption University -<br><br>- Training in Director Certification Program class 146/2011, and Successful Formulation and Execution of Strategy (SFE) class 13/2011. | 46,785,472                                            | 367,241                | 8,432,902                    | -                      | 55,218,374                      | 367,241                | 55,585,612                                | 8.55%                                                                 | Spouse of Ms. La-orsri Maturanont | May 1, 1999 – Present<br><br>December 24, 2012 - Present<br><br>March 2011 – Present<br><br>March 2010 – October 2012 | Director, Executive Director, and Chief Executive Officer<br><br>Nomination and Remuneration Director<br><br>Director<br><br>Independent Director and Audit Committee | TV Direct Public Company Limited<br><br>TV Direct Public Company Limited<br><br>TVD Services Co., Ltd.<br><br>Sino-Thai Resources Public Company Limited Development. | Multichannel Marketing<br><br>Multichannel Marketing<br><br>Business Support Services<br><br>Investment in the Satellite television business. |
| Director / Executive Position in Other Listed Companies                                            |     |                                                                                                                                                                                                                                                                                                                                       |                                                       |                        |                              |                        |                                 |                        |                                           | (none)                                                                |                                   |                                                                                                                       |                                                                                                                                                                       |                                                                                                                                                                       |                                                                                                                                               |

| Name/Position                                                                     | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                                                                                                                                                       | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                                    |                                                                                                                                                                                                                             |                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                        | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | As at December 31,2016 (%)                                            | Duration                           | Position                                                                                                                                                                                                                    | Company Name                                                                                                                                                                                            | Type of Business                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                               |
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                        | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |                                    |                                                                                                                                                                                                                             |                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                              | Total                                                                                                                                                                                                                         |
| Mr. Thanabul Maturanont<br>Director (Authorized Signatory)<br>Executive Committee | 46  | - Master degree from Pacific Rim Basin Faculty, in Inter Business & Finance, Dominican University of California.<br><br>- Bachelor degree from Political Science Faculty subject: Government, Chulalongkorn University.<br><br>- Training in Director Accreditation Program (DAP) class 90/2011, and in Director Certification Program class 154/2011. | 42,158,435                                            | 80,328                 | (29,886,835)                 | (80,300)               | 12,271,600                      | 28                     | 12,271,628                                | 1.89%                                                                 | Brother of Ms. La-orsri Maturanont | August 21, 2009 – Present<br><br>July 1, 2014 - Present<br><br>March 1, 2013- June 30, 2014<br><br>August 21, 2009– March 1, 2013<br><br>March 2011 – July 2011<br><br>2008 - 2009<br><br>2006 - 2008<br><br>2000 - Present | Director Executive Director<br><br>Managing Director<br><br>Head of Home Shopping<br><br>Chief Direct Marketing Officer<br><br>Director<br><br>General Manager<br><br>Managing Director<br><br>Director | TV Direct Public Company Limited<br><br>TVD Shopping Co., Ltd.<br><br>TV Direct Public Company Limited<br><br>TV Direct Public Company Limited<br><br>TV Direct Indo-China Co., Ltd.<br><br>Thai Solar Energy Co., Ltd.<br><br>North Pattaya Plaza Co., Ltd.<br><br>TBM Solution Co., Ltd. (Original name was "Response TV") | Multichannel Marketing<br><br>Home Shopping<br><br>Multichannel Marketing<br><br>Multichannel Marketing<br><br>Investment<br><br>Electricity generating<br><br>Hotel<br><br>Consultancy on engineering and alternative energy |



| Name/Position                                           | Age | Education/Training course from Thai Institute of Directors (IOD) | Stake in the company including spouse and minor child |                        |                              |                        |                                  |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                              |                                        |                                  |                        |       |
|---------------------------------------------------------|-----|------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|----------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|------------------------------|----------------------------------------|----------------------------------|------------------------|-------|
|                                                         |     |                                                                  | As at December 31, 2015 (Shares)                      |                        | Change in Year 2016 (Shares) |                        | As at December 31, 2016 (Shares) |                        |                                           | As at December 31, 2016 (%)                                           | Duration                     | Position                               | Company Name                     | Type of Business       |       |
|                                                         |     |                                                                  | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                              | Spouse and minor child |                                           |                                                                       |                              |                                        |                                  |                        | Total |
|                                                         |     |                                                                  |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       |                              |                                        |                                  |                        |       |
|                                                         |     |                                                                  |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       | March 2007 – December 2008   | General Manager - Outbound call center | TV Direct Public Company Limited | Multichannel Marketing |       |
|                                                         |     |                                                                  |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       | January 2005 – February 2007 | General Manager - Finance              | TV Direct Public Company Limited | Multichannel Marketing |       |
| Director / Executive Position in Other Listed Companies |     |                                                                  |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       |                              |                                        |                                  |                        |       |
| (12/18)                                                 |     |                                                                  |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       |                              |                                        |                                  |                        |       |

| Name/Position                                                                                        | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Stake in the company including spouse and minor child |                        |                              |                        |                                  |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                            |                                       |                                           |                                  |                        |
|------------------------------------------------------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|----------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|----------------------------|---------------------------------------|-------------------------------------------|----------------------------------|------------------------|
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | As at December 31, 2015 (Shares)                      |                        | Change in Year 2016 (Shares) |                        | As at December 31, 2016 (Shares) |                        |                                           | As at December 31, 2016 (%)                                           | Duration                   | Position                              | Company Name                              | Type of Business                 |                        |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                              | Spouse and minor child |                                           |                                                                       |                            |                                       |                                           |                                  | Total                  |
| Dr. Pisut Chalakornkul<br>Director (Authorized Signatory)<br><br>Chairman of the Executive Committee | 63  | - Ph.D. (Computer and Engineering Management), Assumption University<br><br>- MBA – Business Administration (General Business), Tarleton State University, Texas, USA<br><br>- Bachelor of Economics from Faculty of Economics in monetary and fiscal policy, Thammasat University.<br><br>- Training courses in Director Certification Program (DCP) class 61/2005, Audit Committee Program (ACP) class 11/2006, Monitoring Fraud Risk Management (MFM) class 8/2012, Monitoring the Quality of Financial Reporting (MFR) class 16/2012, Monitoring of | -                                                     | 222,797                | -                            | -                      | -                                | 222,797                | 0.03%                                     | -                                                                     | December 1, 2012 – Present | Chairman of the Executive Committee   | TV Direct Public Company Limited          | Multichannel Marketing           |                        |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                                                     | 222,797                | -                            | -                      | -                                | -                      | 222,797                                   | -                                                                     | -                          | December 24, 2012 - Present           | Nomination and Remuneration Committee.    | TV Direct Public Company Limited | Multichannel Marketing |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                                                     | 222,797                | -                            | -                      | -                                | -                      | 222,797                                   | -                                                                     | -                          | November 24, 2010 – November 30, 2012 | Independent Director Audit Committee      | TV Direct Public Company Limited | Multichannel Marketing |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                                                     | 222,797                | -                            | -                      | -                                | -                      | 222,797                                   | -                                                                     | -                          | 2008 - 2011                           | Advisor to the Ministry of Energy         | Ministry of Energy               | Government agency      |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                                                     | 222,797                | -                            | -                      | -                                | -                      | 222,797                                   | -                                                                     | -                          | 2007 - 2008                           | Director of Public Warehouse Organization | Ministry of Commerce             | Government agency      |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                                                     | 222,797                | -                            | -                      | -                                | -                      | 222,797                                   | -                                                                     | 2008                       | Secretary to the Ministry of Energy   | Ministry of Energy                        | Government agency                |                        |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                                                     | 222,797                | -                            | -                      | -                                | -                      | 222,797                                   | -                                                                     | 2001 – Present             | Research Professor At Large           | Tarleton State University Texas           | Educational Institution          |                        |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                                                     | 222,797                | -                            | -                      | -                                | -                      | 222,797                                   | -                                                                     | 2005 - 2008                | Chairman of the Graduate School       | Rattana Bundit University                 | Educational Institution          |                        |

| Name/Position                                           | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                 | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                                                          |                                                          |                              |                  |       |
|---------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|------------------------------|------------------|-------|
|                                                         |     |                                                                                                                                  | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | As at December 31,2016 (%)                                            | Duration                                                 | Position                                                 | Company Name                 | Type of Business |       |
|                                                         |     |                                                                                                                                  | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |                                                          |                                                          |                              |                  | Total |
|                                                         |     |                                                                                                                                  |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |                                                          |                                                          |                              |                  |       |
|                                                         |     | Internal Audit Function (MIA) class 13/2012, and Monitoring the System of Internal Control &Risk Management (MIR) class 13/2012. |                                                       |                        |                              |                        |                                 |                        |                                           | 2006                                                                  | Advisor                                                  | Airports of Thailand Plc.                                | Public utility               |                  |       |
|                                                         |     |                                                                                                                                  |                                                       |                        |                              |                        |                                 |                        |                                           | 2005 - 2006                                                           | Director and Executive Director                          | Small and Medium Enterprise Development Bank of Thailand | Financial Institution        |                  |       |
|                                                         |     |                                                                                                                                  |                                                       |                        |                              |                        |                                 |                        |                                           | 2004 - 2005                                                           | Advisor to Deputy Prime Minister (Mr. Suwat Liptapanlop) | Government agency                                        | Government agency            |                  |       |
|                                                         |     |                                                                                                                                  |                                                       |                        |                              |                        |                                 |                        |                                           | 2002 - 2004                                                           | Director and Chief Executive Officer                     | Fuji Xerox (Thailand) Co., Ltd.                          | Innovative Office Automation |                  |       |
| Director / Executive Position in Other Listed Companies |     |                                                                                                                                  |                                                       |                        |                              |                        |                                 |                        |                                           | (none)                                                                |                                                          |                                                          |                              |                  |       |

| Name/Position                                                   | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                      | Stake in the company including spouse and minor child |                        |                              |                        |                                  |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                            |                       |                                  |                                                            |
|-----------------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|----------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|----------------------------|-----------------------|----------------------------------|------------------------------------------------------------|
|                                                                 |     |                                                                                                                                                                                       | As at December 31, 2015 (Shares)                      |                        | Change in Year 2016 (Shares) |                        | As at December 31, 2016 (Shares) |                        |                                           | As at December 31, 2016 (%)                                           | Duration                   | Position              | Company Name                     | Type of Business                                           |
|                                                                 |     |                                                                                                                                                                                       | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                              | Spouse and minor child |                                           |                                                                       |                            |                       |                                  |                                                            |
| Mr. Wirasack Wirojwattanakul<br>Director<br>Executive Committee | 51  | <div>- Bachelor degree from Engineering Faculty in Electronics Engineering, Tokai University, Japan</div> <div>- Training in Director Accreditation Program (DAP) class 90/2011</div> | 4,618,589                                             | -                      | 1,730,000                    | -                      | 6,348,589                        | -                      | 0.98%                                     | -                                                                     | August 17, 2007 – Present  | Director              | TV Direct Public Company Limited | Multichannel Marketing                                     |
|                                                                 |     |                                                                                                                                                                                       |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       | May 25, 2011 – Present     | Executive Director    | TV Direct Public Company Limited | Multichannel Marketing                                     |
|                                                                 |     |                                                                                                                                                                                       |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       | November 26, 2013- Present | Chairman of the Board | TVD Shopping Co., Ltd.           | Home Shopping                                              |
|                                                                 |     |                                                                                                                                                                                       |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       | 2005 – Present             | General Manager       | USE Electronics Co., Ltd.        | Electronic equipment distribution                          |
|                                                                 |     |                                                                                                                                                                                       |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       | May 12, 2010 - Present     | Director              | Vieda Med Co., Ltd.              | Importer and distributor of medicine and medical equipment |
|                                                                 |     |                                                                                                                                                                                       |                                                       |                        |                              |                        |                                  |                        |                                           |                                                                       | November14, 2002 – Present | Director              | Reyon Asia Co., Ltd.             | Tool and equipment                                         |

| Name/Position | Age | Education/Training<br>course from Thai<br>Institute of Directors<br>(IOD) | Stake in the company including spouse and minor child |                                 |                                 |                                 |                                 |                                 | Family<br>relationship<br>with other<br>executives | Working experiences during last 5 years and position in other company |                                |          |                                       |                                                                                   |
|---------------|-----|---------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------------------------|-----------------------------------------------------------------------|--------------------------------|----------|---------------------------------------|-----------------------------------------------------------------------------------|
|               |     |                                                                           | As at December<br>31,2015 (Shares)                    |                                 | Change in Year 2016<br>(Shares) |                                 | As at December 31,2016 (Shares) |                                 |                                                    | As at<br>December<br>31,2016<br>(%)                                   | Duration                       | Position | Company Name                          | Type of<br>Business                                                               |
|               |     |                                                                           | Own                                                   | Spouse<br>and<br>minor<br>child | Own                             | Spouse<br>and<br>minor<br>child | Own                             | Spouse<br>and<br>minor<br>child |                                                    |                                                                       |                                |          |                                       |                                                                                   |
|               |     |                                                                           |                                                       |                                 |                                 |                                 |                                 |                                 |                                                    |                                                                       | November 25, 2006 -<br>Present | Director | RBS Products Co., Ltd.                | Buying and<br>selling used<br>decorative<br>furniture for<br>home and<br>building |
|               |     |                                                                           |                                                       |                                 |                                 |                                 |                                 |                                 |                                                    |                                                                       | August 11, 2008 –<br>Present   | Director | B.B. Battery Asia Co.,<br>Ltd.        | Battery<br>distributor                                                            |
|               |     |                                                                           |                                                       |                                 |                                 |                                 |                                 |                                 |                                                    |                                                                       | April 28, 1994 -<br>Present    | Director | Retail Business<br>Solution Co., Ltd. | Product shelves<br>distributor                                                    |
|               |     |                                                                           |                                                       |                                 |                                 |                                 |                                 |                                 |                                                    | Director / Executive Position in Other Listed Companies               |                                |          |                                       |                                                                                   |
|               |     |                                                                           |                                                       |                                 |                                 |                                 |                                 |                                 |                                                    | (none)                                                                |                                |          |                                       |                                                                                   |



| Name/Position                             | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                                                                                                                                                               | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        |           | Family relationship with other executives | Working experiences during last 5 years and position in other company |                         |                                                          |                                                          |                           |
|-------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-----------|-------------------------------------------|-----------------------------------------------------------------------|-------------------------|----------------------------------------------------------|----------------------------------------------------------|---------------------------|
|                                           |     |                                                                                                                                                                                                                                                                                                                                                                | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |           |                                           | As at December 31,2016 (%)                                            | Duration                | Position                                                 | Company Name                                             | Type of Business          |
|                                           |     |                                                                                                                                                                                                                                                                                                                                                                | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child | Total     |                                           |                                                                       |                         |                                                          |                                                          |                           |
| Mr. Chalermpong Mahavandivong<br>Director | 45  | - MBA from Business Administration Faculty in General Management, University of Leicester<br><br>- BBA from Business Administration Faculty, in General Management, Assumption University<br><br>- Training in Director Accreditation Program (DAP) class 87/2011, Audit Committee Program class 35/2011, and Role of the Compensation Committee class 14/2012 | 1,372,571                                             | -                      | -                            | -                      | 1,372,571                       | -                      | 1,372,571 | 0.21%                                     | -                                                                     | 2013-Present            | Chairman of the Board                                    | TVD Services Co., Ltd.                                   | Business Support Services |
|                                           |     |                                                                                                                                                                                                                                                                                                                                                                |                                                       |                        |                              |                        |                                 |                        |           |                                           | May 4, 2011 - Present                                                 | Director                | TV Direct Public Company Limited                         | Multichannel Marketing                                   |                           |
|                                           |     |                                                                                                                                                                                                                                                                                                                                                                |                                                       |                        |                              |                        |                                 |                        |           |                                           | 2011 - Present                                                        | Director                | Nippon Paint and Decorative Coating (Thailand) Co., Ltd. | Production and distribution of paint and its by products |                           |
|                                           |     |                                                                                                                                                                                                                                                                                                                                                                |                                                       |                        |                              |                        |                                 |                        |           |                                           | 2008 - 2011                                                           | Chief Operating Officer | Nippon Paint (Thailand) Co., Ltd.                        | Production and distribution of household paint           |                           |
|                                           |     |                                                                                                                                                                                                                                                                                                                                                                |                                                       |                        |                              |                        |                                 |                        |           |                                           | 2007 - 2008                                                           | Head of Grocery         | Ekachai Distribution System Co., Ltd.                    | Hypermarket                                              |                           |
|                                           |     |                                                                                                                                                                                                                                                                                                                                                                |                                                       |                        |                              |                        |                                 |                        |           |                                           | August 2006 - 2013                                                    | Director                | AMJ Consulting Co., Ltd.                                 | Advisor and consultant on management                     |                           |
|                                           |     |                                                                                                                                                                                                                                                                                                                                                                |                                                       |                        |                              |                        |                                 |                        |           |                                           | 1992 - 2006                                                           | Country Director        | Gillette (Thailand) Co., Ltd.                            | Distribution of personal care                            |                           |

| Name/Position                                           | Age | Education/Training course from Thai Institute of Directors (IOD) | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |          |                         |                 |                                 |                             |
|---------------------------------------------------------|-----|------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|----------|-------------------------|-----------------|---------------------------------|-----------------------------|
|                                                         |     |                                                                  | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | As at December 31,2016 (%)                                            | Duration | Position                | Company Name    | Type of Business                |                             |
|                                                         |     |                                                                  | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |          |                         |                 |                                 | Total                       |
|                                                         |     |                                                                  |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |          |                         |                 | Products                        |                             |
| Director / Executive Position in Other Listed Companies |     |                                                                  |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |          |                         |                 |                                 |                             |
|                                                         |     |                                                                  |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |          | December 2010 - Present | Audit Committee | DNA 2002 Public Company Limited | Music and movie distributor |

| Name/Position                                           | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                        | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                                         |                                                |                                        |                  |
|---------------------------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------|------------------------------------------------|----------------------------------------|------------------|
|                                                         |     |                                                                                                                                         | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | As at December 31,2016 (%)                                            | Duration                                | Position                                       | Company Name                           | Type of Business |
|                                                         |     |                                                                                                                                         | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |                                         |                                                |                                        |                  |
| Mr.Yutaro Suzuki<br>Director                            | 42  | -Master of Business Administration, Rikkyo University, Tokyo, Japan(2007)<br><br>-Bachelor of Law, Hosei University, Tokyo, Japan(1998) | -                                                     | -                      | -                            | -                      | -                               | -                      | -                                         | August 11, 2016 – Present                                             | Director                                | TV Direct Public Company Limited               | Multichannel Marketing                 |                  |
|                                                         |     |                                                                                                                                         |                                                       |                        |                              |                        |                                 |                        |                                           | May,2006- Present                                                     | Direct TV and service executive officer | Tn-Stage Inc.                                  | Support services for direct marketing  |                  |
|                                                         |     |                                                                                                                                         |                                                       |                        |                              |                        |                                 |                        |                                           | March 2016- Present                                                   | Director                                | Nippon Department Store Inc.                   | Department Store                       |                  |
|                                                         |     |                                                                                                                                         |                                                       |                        |                              |                        |                                 |                        |                                           | December,2014                                                         | Administrative Director                 | JASPO (Japan Specialty Promotion Organization) | Japan Specialty Promotion Organization |                  |
|                                                         |     |                                                                                                                                         |                                                       |                        |                              |                        |                                 |                        |                                           | November,2012- Present                                                | Director                                | Mail Customer Center co., Ltd                  | Direct Mail                            |                  |
| Director / Executive Position in Other Listed Companies |     |                                                                                                                                         |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |                                         |                                                |                                        |                  |
| (none)                                                  |     |                                                                                                                                         |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |                                         |                                                |                                        |                  |

| Name/Position                                                                     | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |          |          |                                |                                                                                             |                                        |                               |
|-----------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|----------|----------|--------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------|
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | As at December 31,2016 (%)                                            | Duration | Position | Company Name                   | Type of Business                                                                            |                                        |                               |
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |          |          |                                |                                                                                             | Total                                  |                               |
| Asst. Prof. Anucha Chintakanond<br>Independent Director<br>Audit Committee Member | 73  | - Ph.D. (Candidate, Economics), Northwestern University<br>- B. Ec. (1st Class Honour), University of Western Australia<br><br>- Training in Director Accreditation Program (DAP) class 2/2000, FND class 1/2001, Audit Committee Program(ACP) class 1/2001, Role of the Chairman Program(RCP) class 7/2002, Charter Director Class(CDC) class 1/2007, Successful Formulation and Execution of Strategy(SFE) class 12/2001, Monitoring the Quality of Financial Reporting (MFR) class16/2012, Role of the Nomination and Governance Committee(RNG) class 3/2012, and Role of the Compensation | 120,106                                               | -                      | -                            | -                      | -                               | 120,106                | -                                         | 120,106                                                               | 0.02%    | -        | April 2013-Present             | Independent Director<br>Audit Committee                                                     | TV Direct Public Company Limited       | Multichannel Marketing        |
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |          |          | 2016 – Present                 | Subcommittee to evaluate and recommend the defensive tackle on National Security            | Government House                       | Government agency             |
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |          |          | 2014-201                       | Advisor to Subcommittee for the preparation of the Fiscal Constitution and the State Budget | National Reform Council                | Government agency             |
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |          |          | November 24, 2010 - April 2013 | Independent Director<br>Chairman of the Audit Committee                                     | TV Direct Public Company Limited       | Multichannel Marketing        |
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |          |          | 2011– 2015                     | Audit and Evaluation Committee<br>Chairman of the Committee (verify personnel system)       | Office of the National Anti-Corruption | Independent Government agency |
|                                                                                   |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       |          |          | 2009– Present                  | Independent Director<br>Audit Committee Member                                              | Philip Securities (Thailand) Plc.      | Securities                    |

| Name/Position | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                                                                                             | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                                                                                                   |                                                                         |                                                                           |                  |
|---------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------|
|               |     |                                                                                                                                                                                                                                                                                              | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | As at December 31,2016 (%)                                            | Duration                                                                                          | Position                                                                | Company Name                                                              | Type of Business |
|               |     |                                                                                                                                                                                                                                                                                              | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |                                                                                                   |                                                                         |                                                                           |                  |
|               |     | Committee(RCC) class 15/2012, Monitoring the system of internal control & Risk Managements 14/2013, Advanced of Audit committee 11/2013, CG Forum 1/2014 Effectiveness in Board room, CG Forum 3/2014 Challenging as Expectation for Board Engagement on Strategic Risk Management Oversight |                                                       |                        |                              |                        |                                 |                        |                                           | Past – April 2011                                                     | Advisory to Sub-committee to consider ways to enhance the field of telecommunication enterprises. | Commission for Science, technology and telecommunications of the Senate | Independent Government agency                                             |                  |
|               |     |                                                                                                                                                                                                                                                                                              |                                                       |                        |                              |                        |                                 |                        |                                           | 2009-2010                                                             | Vice Chancellor Social Science Group                                                              | Naresuan University                                                     | University                                                                |                  |
|               |     |                                                                                                                                                                                                                                                                                              |                                                       |                        |                              |                        |                                 |                        |                                           | 1993 - Present                                                        | Advisory to the Chairman and the International Affairs and Business Development Dept.             | Pan Rajdhevtee Group Plc.                                               | Skin care services, and production and distribution of skin care Products |                  |
|               |     |                                                                                                                                                                                                                                                                                              |                                                       |                        |                              |                        |                                 |                        |                                           | 2008 - 2013                                                           | Advisor                                                                                           | Health Benefit Consultants Co., Ltd.                                    | Insurance and claim consultant                                            |                  |
|               |     |                                                                                                                                                                                                                                                                                              |                                                       |                        |                              |                        |                                 |                        |                                           | 2008 - 2014                                                           | Advisor                                                                                           | Econtech Supply Co., Ltd.                                               | Medical equipment supplier                                                |                  |
|               |     |                                                                                                                                                                                                                                                                                              |                                                       |                        |                              |                        |                                 |                        |                                           | 2006 - 2009                                                           | Economic advisor on macroeconomic financing committee                                             | National Economic and Social Advisory Council                           | Independent Government agency                                             |                  |





[illegible]

| Name/Position                                                  | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                     | Stake in the company including spouse and minor |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                                               |                                                        |                                                                          |                                                      |
|----------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------|
|                                                                |     |                                                                                                                                                                                                                      | As at December 31,2015 (Shares)                 |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | As at December 31,2016 (%)                                            | Duration                                      | Position                                               | Company Name                                                             | Type of Business                                     |
|                                                                |     |                                                                                                                                                                                                                      | Own                                             | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |                                               |                                                        |                                                                          |                                                      |
| Mr. Pongchai Shanmakit<br>Head of Direct Shopping              | 43  | <ul style="list-style-type: none"><li>- Bachelor Degree Faculty of Engineering King Mongkut's Institute of Technology Thonburi</li><li>- Master Degree, Business Administration From Assumption University</li></ul> |                                                 |                        |                              |                        |                                 |                        |                                           | Brother of Mr. Songpol Shanmakit                                      | March 1, 2013– Present<br><br>1999-March 2013 | Head of Direct Shopping<br><br>Director, DRTV Business | TV Direct Public Company Limited<br><br>TV Direct Public Company Limited | Multichannel Marketing<br><br>Multichannel Marketing |
| Director / Executive Position in Other Listed Companies (none) |     |                                                                                                                                                                                                                      |                                                 |                        |                              |                        |                                 |                        |                                           |                                                                       |                                               |                                                        |                                                                          |                                                      |



| Name/Position                                                                                        | Age | Education/Training course from Thai Institute of Directors (IOD)                                                                                                                                                                                                                                | Stake in the company including spouse and minor child |                        |                              |                        |                                 |                        | Family relationship with other executives | Working experiences during last 5 years and position in other company |                             |                                          |                                        |                                                |
|------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------------------|------------------------|---------------------------------|------------------------|-------------------------------------------|-----------------------------------------------------------------------|-----------------------------|------------------------------------------|----------------------------------------|------------------------------------------------|
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 | As at December 31,2015 (Shares)                       |                        | Change in Year 2016 (Shares) |                        | As at December 31,2016 (Shares) |                        |                                           | As at December 31,2016 (%)                                            | Duration                    | Position                                 | Company Name                           | Type of Business                               |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 | Own                                                   | Spouse and minor child | Own                          | Spouse and minor child | Own                             | Spouse and minor child |                                           |                                                                       |                             |                                          |                                        |                                                |
| Mr. Wichian Manapongpan<br>Executive Director<br>Company Secretary<br>Head of Finance and Accounting | 53  | Master Degree from Business Administration Faculty in Business Administration, Kasetsart University.<br><br>-B.A. from Accounting Faculty in accounting Ramkhamhaeng University<br><br>-Certified Public Accountant<br>- Training course in Director Accreditation Program (DAP) class 66/2007. | 89                                                    | -                      | 89                           | -                      | 89                              | -                      | 89                                        | 0.00%                                                                 | January 2016- Present       | Head of Finance and Accounting           | TV Direct Public Company Limited       | Multichannel Marketing                         |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       | September 1, 2013 – Present | Company Secretary                        | TV Direct Public Company Limited       | Multichannel Marketing                         |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       | March 1, 2010 – Present     | Executive Director                       | TV Direct Public Company Limited       | Multichannel Marketing                         |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       | March 1, 2010 – Present     | Chief Financial Officer                  | TV Direct Public Company Limited       | Multichannel Marketing                         |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       | March 2011 – Present        | Director                                 | TVD Services Co., Ltd.                 | Business Support Services                      |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       | 2007 - 2009                 | Finance and Accounting Director          | Thai Airport Ground Services Co., Ltd. | Warehousing and ground services for aircrafts. |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       | 1991 - 2006                 | Vice President of Finance and Accounting | Sri Thai Food and Beverages Plc.       | Producing and distributing ready-made food     |
|                                                                                                      |     |                                                                                                                                                                                                                                                                                                 |                                                       |                        |                              |                        |                                 |                        |                                           |                                                                       | 2014-Present                | Director                                 | TVD Broker Co., Ltd.                   | Insurance Broker                               |





General Information and  
other important information



|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name.              | TV Direct Public Company Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Registration No.   | 0107554000101                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Type of business:  | <p>The Company conducts its business on distribution of products and services through the Multi-Channel Marketing. Business operational structure of the Company can be segmented into 3 main channels as follows:-</p> <ol style="list-style-type: none"> <li>1. Direct shopping which can be separated into 3 parts as <ol style="list-style-type: none"> <li>1.1 TV marketing: Selling of products and services through normal television, satellite television, cable TV with membership viewers, and the digital television.</li> <li>1.2 Selling of products and services through the outbound call center.</li> <li>1.3 Direct response printing : Selling of products and services through the printed media.</li> </ol> </li> <li>2. Online Shopping : Distribution of products through the websites, mobile applications, including all sales channels of the social media in order to facilitate and serve requirements of retail customers in the digital age.</li> <li>3. Retail Shopping : Retail distribution of products and services through the TV Direct Showcase shops including wholesales operations for domestic and international customers.</li> </ol> |
| Registered Capital | <p>341,250,035 Baht</p> <p>Divided into 682,500,070 shares at par value of Baht 0.50 per share</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Paid-up Capital    | <p>325,146,675 Baht</p> <p>Divided into 650,293,350 shares at par value of Baht 0.50 per share</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Address            | 25, Watcharaphon Road, Tarang, Bangkhen, Bangkok 10230                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Home page          | <a href="http://www.tvdirect.tv">www.tvdirect.tv</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Tel.               | 02-666-0999                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Fax.               | 02-666-0888                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Other references:  | <p>Share registrar : Thailand Securities Depository Co., Ltd.</p> <p>Address : 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400</p> <p>Tel. 02-009-9000</p> <p>Fax. 02-009-9001</p> <p>Auditor : PricewaterhouseCoopers ABAS Ltd.</p> <p>Address : 179/74-80 South Sathorn Road, Bangkok, 10120</p> <p>Tel. 02-344-1000</p> <p>Fax. 02-286-5050</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |



## Companies in which TVD holds more than 10% of their shares

As of 31 December 2016

|   | Subsidiaries                                                                        | Nature of Business                                                                                                                                                                                                   | Incorporated in | Tel         | Fax         | Paid-up Capital |                  |
|---|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|-------------|-----------------|------------------|
|   |                                                                                     |                                                                                                                                                                                                                      |                 |             |             | Type            | Number           |
| 1 | TVD Shopping Co., Ltd.                                                              | Sell goods and services through multiple marketing channels                                                                                                                                                          | Thailand        | 02-666-0288 | 02-666-0088 | Common Shares   | Baht 445,000,000 |
| 2 | TVD Services Co., Ltd.<br>(Originally known as TV Direct Indochina Co., Ltd.)       | Originally operates as a holding company in the subsidiaries but from January 1, 2016 onwards will operate its business as the business supporting company for TV Direct Public Company Limited and its subsidiaries | Thailand        | 02-666-0999 | 02-666-0888 | Common Shares   | Baht 40,000,000  |
| 3 | TVD Broker Co., Ltd.                                                                | Life insurance broker and other services relate to insurance against loss                                                                                                                                            | Thailand        | 02-666-0388 | 02-666-0308 | Common Shares   | Baht 40,000,000  |
| 4 | Last Mile Direct Co., Ltd.<br>(Originally known as JML Direct (Thailand) Co., Ltd.) | Originally operates selling household equipment business, but from January 1, 2017 onwards will operate Logistic & Fulfillment business                                                                              | Thailand        | 02-666-0999 | 02-666-0888 | Common Shares   | Baht 30,000,000  |

Other important information

Nil.

# TV Direct

## PUBLIC COMPANY LIMITED







## “The Best of DSD 2016”

TV Direct Public Company Limited was selected to receive the trophy of “The Best of DSD 2016 (Labor Relations and Welfares) as well as the Certificate of 2016 from Ministry of Labor for 2 consecutive years.



Companies with  
**Very Good** CG Scoring



Our company's Corporate Governance was evaluated by Thai Listed Companies Association in 2016 in Very Good level or CG 4 star from Thai Institute of Directors (IOD) for 2 consecutive years.

## TOP QUARTILE COMPANIES

By Market Capitalization

TOP QUARTILE: 1,000-2,999 MB. Market Cap.

In 2016, Besides gaining the result of evaluation on Corporate Governance as “Very Good CG Scoring”, we were also ranked in the Top Quartile of companies with Market Capitalization of 1,000-2,999 million baht for 2 consecutive years.



## SET AWARDS 2016

### Outstanding Investor Relations Awards

TV Direct Public Company Limited (TVD) won “the Outstanding Investor Relations Awards” 2016 from Market for Alternative Investment (MAI) in “SET Awards 2016” held by the Stock Exchange of Thailand and Financial and Banking Journal for 2 consecutive years.



## TOTAL INNOVATION MANAGEMENT AWARDS



## TVD won Total Innovation management Award 2016

Dr. Chaiwat Wibulsawat, the President of the Stock Exchange of Thailand, gave the plate and certificate of the Total Innovation Management Award 2016 to Ms. La-orsri Mutturant, Head of Merchandise Marketing Officer of TV Direct Public Company Limited (TVD) that was selected from entrepreneurs with good Total Innovation Management and promptness to become a model for building innovative abilities to other organizations in Thailand, whereas, TVD has the concept of Multi-Marketing Innovation based on dynamics of product sellers and buyers for efficient connection and distribution.



## TV Direct Online won Top SME Seller for Sport Products

In Priceza Awards 2016 Mr. Wiroj Supadul, the Chief Technology Officer of Priceza Company Limited, gave the plate of the winner of Top SME Seller for Sport Products to Mr. Pathomwej Supaporn, the Director of Online Shopping Department of TV Direct Public Company Limited (TVD) in Priceza Awards 2016. This activity has been held to drive and strengthen Thai E-commerce as well as to support Thai E-commerce to become the strong Eco-System in the future. The winner was selected by considering on reviews, suggestions, and survey on popularity gained from voting of over 800,000 users and members.





## Thailand Sustainability Investment 2016

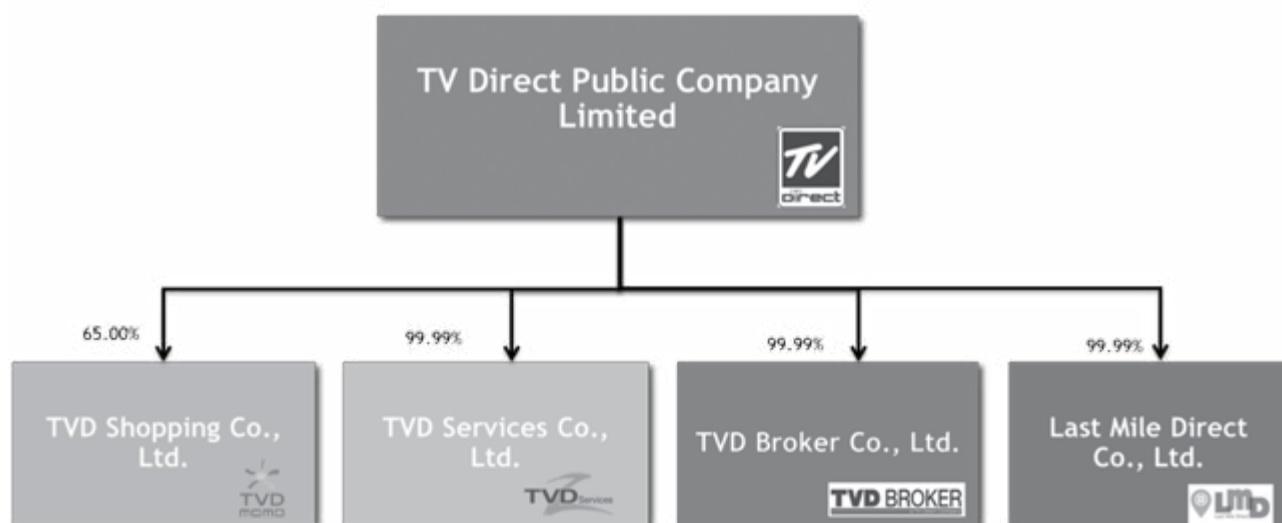
TV Direct Public Company Limited was selected to be listed in the list of Thailand Sustainability Investment 2016 reflecting our emphasis and development on operating our business to reach sustainable growth that is consistent with the flagship plans of the Stock Exchange of Thailand for developing listed companies to grow sustainably.

a **TVD** company



## Shareholding structure of the subsidiary companies

Shareholding structure of the subsidiary companies as at December 31, 2016:



### Overview of the subsidiaries' business operations

1. TVD Shopping Co., Ltd. (originally known as Shop At Home Co., Ltd.)

TVD Shopping Co., Ltd. is a registered and has been established in Thailand on November 26, 2013 in operating the TV Home Shopping Business. It is a joint venture between the Company and Momo Dot Com Co., Ltd. (originally known as Fubon Multimedia Technology Co., Ltd.) which is a legally setup company in Taiwan and a leading direct marketing company in Taiwan and other countries. The Company and MOMO have joint investment of 65 % and 35 % respectively and as at December 31, 2016 had the registered and paid up capital of Baht 445,000,000.

2. TVD Services Co., Ltd. (originally known as TV Direct Indochina Co., Ltd.)

TVD Services Co., Ltd. has been registered in Thailand on April 26, 2010, and the Company holds 99.99% shares.

TVD Services Co., Ltd. previously operates as a holding company in the subsidiaries, but from January 1, 2016 onwards it will operate its business as the business supporting company for TV Direct Public Company Limited and its subsidiaries. As at December 31, 2016 it has registered capital and paid up capital of Baht 40,000,000.

3. TVD Broker Co., Ltd.

TVD Broker Co., Ltd. is a registered and established company in Thailand as a brokerage company for Life Insurance and Non-Life Insurance on October 17, 2014 with the Company holding 99.99 % shares. As at December 31, 2016, it has the registered and paid up capital of Baht 40,000,000.

4. Last Mile Direct Co., Ltd. (originally known as JML Direct (Thailand) Co., Ltd.)

Last Mile Direct Co., Ltd. is a registered and has been established in Thailand in June 12, 2013 and the Company holds 99.99% shares.

Last Mile Direct Co., Ltd. previously operates Retail Business, but from January 1, 2017 onwards it will operate Logistic & Fulfillment Business. As at December 31, 2016 it has registered capital and paid up capital of Baht 30,000,000.



# Financial Highlights



## Financial Highlights 2015

(Unit : Million Baht)

| Items                                                         | Audit of<br>Consolidated<br>financial<br>statement<br>2014 | Audit of<br>Consolidated<br>financial<br>statement<br>2015 | Audit of<br>Consolidated<br>financial<br>statement<br>2016 |
|---------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Cash and cash equivalents                                     | 131.40                                                     | 254.12                                                     | 164.90                                                     |
| Account receivable –Others - Net                              | 158.84                                                     | 231.47                                                     | 141.79                                                     |
| Inventory - Net                                               | 488.59                                                     | 413.50                                                     | 481.04                                                     |
| Land, building and equipment - Net                            | 361.87                                                     | 391.76                                                     | 442.82                                                     |
| Intangible assets- Net                                        | 60.75                                                      | 62.59                                                      | 69.59                                                      |
| <b>Total assets</b>                                           | <b>1,645.00</b>                                            | <b>1,837.26</b>                                            | <b>1,681.37</b>                                            |
| Bank overdraft and short-term loan from financial institution | 333.69                                                     | 372.38                                                     | 384.78                                                     |
| Account payable and other payables                            | 309.37                                                     | 460.70                                                     | 402.93                                                     |
| Liabilities under financial lease                             | 10.20                                                      | 9.40                                                       | 3.81                                                       |
| Long-term loan from financial institution                     | 54.14                                                      | 27.37                                                      | 3.76                                                       |
| <b>Total liabilities</b>                                      | <b>778.27</b>                                              | <b>973.88</b>                                              | <b>865.40</b>                                              |
| Registered capital                                            | 341.25                                                     | 341.25                                                     | 341.25                                                     |
| Paid-up capital                                               | 325.00                                                     | 325.00                                                     | 325.15                                                     |
| Retained earnings                                             |                                                            |                                                            |                                                            |
| Appropriated-legal reserve                                    | 24.39                                                      | 24.39                                                      | 3.80                                                       |
| Unappropriated                                                | (116.11)                                                   | (174.50)                                                   | (142.37)                                                   |
| <b>Total shareholder's equity</b>                             | <b>866.73</b>                                              | <b>863.38</b>                                              | <b>815.97</b>                                              |
| <b>Total revenues</b>                                         | <b>2,563.39</b>                                            | <b>3,060.53</b>                                            | <b>3,435.29</b>                                            |
| Cost of sale and service                                      | 1,123.87                                                   | 1,555.47                                                   | 1,785.44                                                   |
| Selling and administrative expense                            | 1,426.82                                                   | 1,502.39                                                   | 1,586.56                                                   |
| Finance cost                                                  | 16.43                                                      | 18.45                                                      | 11.72                                                      |
| Corporate income tax                                          | 9.72                                                       | (4.17)                                                     | 11.87                                                      |
| <b>Net profit</b>                                             | <b>(10.67)</b>                                             | <b>(40.61)</b>                                             | <b>14.36</b>                                               |
| Weighted average number of share at par value of 0.50 Baht    | 649,988,289                                                | 649,988,289                                                | 650,293,350                                                |
| <b>Basic earnings per share (Baht)</b>                        | <b>(0.0164)</b>                                            | <b>(0.0624)</b>                                            | <b>0.02209</b>                                             |



# Corporate Social Responsibilities



# Corporate Social Responsibilities

## “A Drop of Blood for Life”

TV Direct Public Company Limited recognizes the importance of social participation and has initiated a project called “A Drop of Blood for Life”. This project has been in coordination with the National Blood Center of the Thai Red Cross Society, in receiving donations of blood and stem cells from our employees and people in the vicinity nearby since 2004 till present. The donations have been arranged in every 3 months.



## Educational Grants to Employees' Children

Mr. Songpol Shanmatkit, Chief Executive Officer, TV Direct Public Company Limited, presents 40 educational grants to employees' children, totaled Baht 140,000. The educational grants can be divided into 4 levels, consisting of Primary school level with 10 grants at Baht 2,000 each, Secondary school level with 10 grants at Baht 3,000 each, Vocational certificate level with 10 grants at Baht 4,000 per grant, and Bachelor degree level with 10 grants at Baht 5,000 per grant. The purpose in giving the scholarship grants is to support our employees' children who equipped with good learning results as well as to relief burden of employee's families.



## Delivers Futsal balls for “Aslam Academy” youth team

TV Direct Public Company Limited delivers Futsal balls for “Aslam Academy” to support our youth to have balls used in rehearsal for various tournaments.



## Cooperative Education Project

TV Direct Public Company Limited, in cooperation with various leading education institutes, has arranged the cooperation education project which emphasizes systemically in the education system that based on practical work experience within the establishment. This involves classroom-base education together with real practical work at the establishment itself. Students will have practical experiences in conjunction with the subjects they are studying by emphasizing their learning base through actual practical work experience or work-based learning, or special project. These will benefit the establishment through improvement, increasing efficiency, or problem solving in the working process, etc. Students will accomplish the project within 4 months, and will learn through their working experiences and having the right qualification that the establishments require most. In 2016, 15 students had joined this project.

## Employment of People with Disabilities

TV Direct Public Company Limited has promoted and developed the quality of life of disable persons by changing the image perception of disable persons so they will be in demand in the labor market. The Company, thus, makes preparation concerning office equipment to facilitate specially for the disable persons. At present, the Company has recruited 15 disable persons. Guidelines for the promotion of disabled person under the law emphasizes that people with disabilities can be recruited for employment. Hence, apart from giving them employment, this will help them to participate in social activities equally with other people.

Moreover, this year the Company has made preparation on the report on sustainable development, in which additional information can be found in the Company's website at [www.tvdirect.tv](http://www.tvdirect.tv)





# Policy and Business Overview





Vision  
“TVD”  
Second to none



# Mission 8

## BRAND

- LINE Official Account
- TV Direct Mobile Application
- The TVD Card

## PERFORMANCE



## GROWTH

### Organic

- Direct Shopping
- Online Shopping
- Retail Shopping

### Inorganic

- Fulfillment
- Call Center
- DM Service

## CUSTOMER

- Customer Intelligent
- Life Time Value
- Engagement
- Satisfaction

## FULFILLMENT

- Trace & Track Technology
- Special Handling Home Delivery

## PRODUCT

### Problem Solving Product

- Communication
- Accessibility
- Innovation
- Responsibility

## PEOPLE



## INNOVATION

- Product
- Service
- Process
- Concept

# (Core Value) **TVD We CAN**

## **C** Caring\_\_\_\_\_

- Humble and Respect Others
- Caring
- Intention to Support and Give Value to Thai Society

## **A** Accountability\_\_\_\_\_

- Proactive
- Accountability and Responsibility
- Achievement Oriented

## **N** eNjoy\_\_\_\_\_

- Optimistic
- Smiling and Greeting with other people (Start with oneself)
- Build the lively atmosphere filling with fun



Business Operation



## Business Operation for each Product Group

The Company conducts its business on distribution of products and services through the multi-screen marketing that can be segmented into 3 main channels as follows;

### 1. Direct Shopping : This can be separated into 3 categories as

- 1.1 TV Marketing: The distribution of products and services through normal free television, satellite television, and television with cable-TV membership and digital television.
- 1.2 Outbound Call Center : The distribution of products and services through the outbound call center.
- 1.3 Direct Response Printing : The distribution of products and services through the direct response printing.

### 2. Online Shopping

The distribution of products through websites, mobile applications including through all channels of social media in order to facilitate and serve requirements of retail customers in the digital age.

### 3. Retail Shopping

The retail distribution of products and services through TV Direct Showcase, including wholesaling through domestic and foreign customers.

**เรียกค้น “ความมั่นใจ”**  
ด้วยนวัตกรรมดูแลเส้นผมที่พัฒนาจากพืชทั่วโลก  
ต้นฉบับเป็นลิขสิทธิ์ของ VELFORM HAIR

**VELFORM HAIR**  
Natural hair growth and revival hair

**แนะนำวิธีการใช้เพื่อประสิทธิภาพสูงสุด**  
เพื่อผลลัพธ์ที่ดีที่สุด VELFORM HAIR ได้คิดค้นสูตร (เทคโนโลยี) 2 ขั้นตอน สำหรับใช้ก่อนและหลังสระผม เพื่อให้เส้นผมแข็งแรงและเงางามยิ่งขึ้น

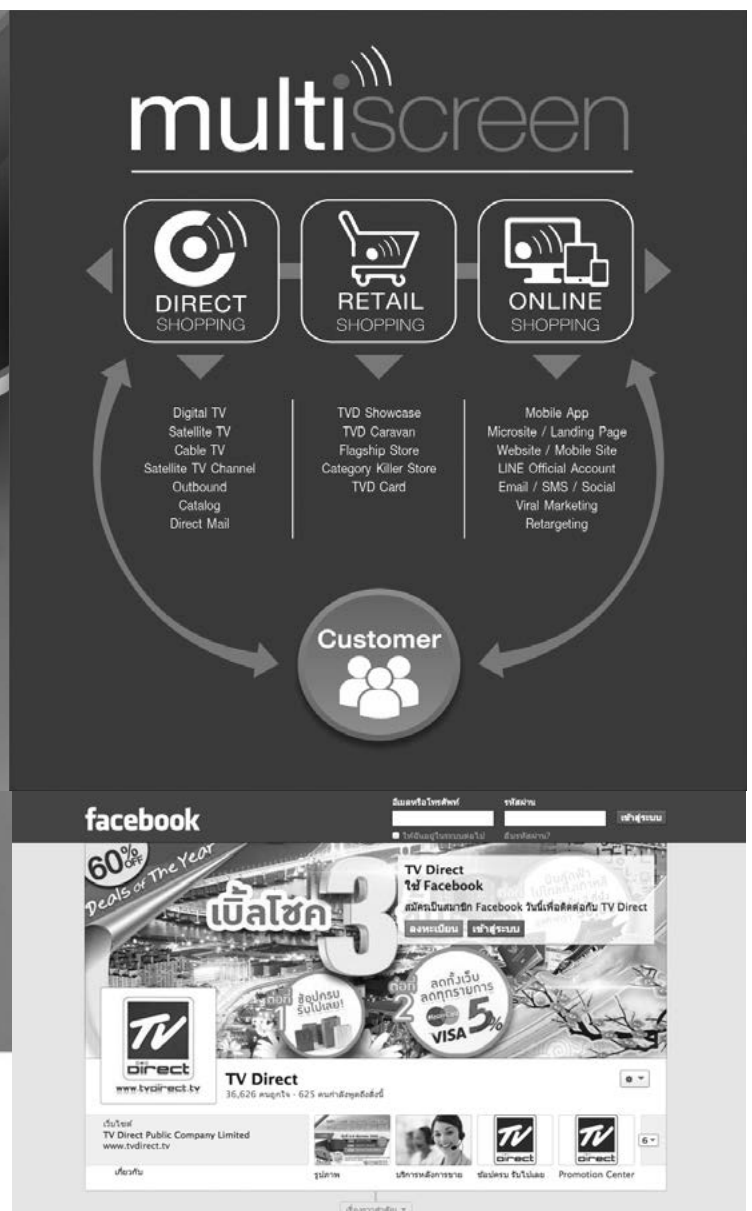
**ขั้นตอนที่ 1**  
ก่อนสระผม: ใช้ VELFORM HAIR นวดเส้นผมให้ทั่วศีรษะ

**ขั้นตอนที่ 2**  
หลังสระผม: ใช้ VELFORM HAIR นวดเส้นผมให้ทั่วศีรษะ

**ประโยชน์**  
- ช่วยกระตุ้นการเจริญเติบโตของเส้นผม  
- ช่วยลดการหลุดร่วงของเส้นผม  
- ช่วยเพิ่มความแข็งแรงของเส้นผม



**Direct2U**  
Touch the Products as You Seen on TV.



## Revenues Structure

Revenues structure of the Company and subsidiaries companies during 2014-2016 is listed below :

| Type of Revenue                                     | Operated by              | 2014            |            | 2015            |            | 2016            |               |
|-----------------------------------------------------|--------------------------|-----------------|------------|-----------------|------------|-----------------|---------------|
|                                                     |                          | Million Baht    | %          | Million Baht    | %          | Million Baht    | %             |
| 1. Revenue from sales and services                  |                          |                 |            |                 |            |                 |               |
| 1.1 TV marketing                                    | Company                  | 925.76          | 36.11      | 1,495.28        | 48.86      | 1,770.77        | 51.55         |
| 1.2 Direct marketing                                |                          |                 |            |                 |            |                 |               |
| - Outbound Call Center                              | Company and Subsidiaries | 511.15          | 19.94      | 395.82          | 12.93      | 396.01          | 11.53         |
| - Printed Media                                     | Company                  | 152.44          | 5.95       | 113.27          | 3.70       | 138.27          | 4.03          |
| - Website – On-line                                 | Company                  | 49.68           | 1.94       | 70.75           | 2.31       | 117.14          | 3.41          |
| - Call Center                                       | Subsidiaries             | 110.65          | 4.32       | 43.48           | 1.42       | 59.47           | 1.73          |
| - Direct Sale                                       | Company                  | 23.39           | 0.91       | 2.79            | 0.09       | 0.00            | 0.00          |
| Total Revenue from Direct Marketing                 | Company and Subsidiaries | 847.32          | 33.05      | 626.11          | 20.46      | 710.90          | 20.69         |
| 1.3 Conventional Marketing                          |                          |                 |            |                 |            |                 |               |
| - Retailing through Direct2U And TV Direct Showcase | Company                  | 421.37          | 16.44      | 366.82          | 11.99      | 404.68          | 11.78         |
| - Wholesaling to domestic and foreign customers     | Company                  | 99.09           | 3.87       | 101.77          | 3.33       | 70.90           | 2.06          |
| Total Revenue for Conventional Marketing            | Company                  | 520.46          | 20.30      | 468.58          | 15.31      | 475.57          | 13.84         |
| 1.4 Total Services <sup>1)</sup>                    | Company and Subsidiaries | 216.94          | 8.46       | 424.98          | 13.89      | 432.89          | 12.60         |
| 1.5 Other jobs <sup>2)</sup>                        | Company                  | 40.74           | 1.59       | 25.54           | 0.83       | 12.84           | 0.37          |
| Total Revenues from Sales and Services              |                          | 2,551.20        | 99.52      | 3,040.49        | 99.35      | 3,402.98        | 99.06         |
| 2. Other Revenue <sup>3)</sup>                      | Company and Subsidiaries | 12.19           | 0.48       | 20.04           | 0.65       | 32.31           | 0.94          |
| <b>Total Revenue</b>                                |                          | <b>2,563.39</b> | <b>100</b> | <b>3,060.53</b> | <b>100</b> | <b>3,435.29</b> | <b>100.00</b> |

Remark : 1) Services mean offering contract production services on advertising media and providing advertising times for customers, marketing activity, and organize concert.

2) Other jobs mean revenue from products distribution that do not distribute through the main distribution channel.

3) Other Revenue consists of rent, interest received, and currency exchange profit.



## Revenue from Domestic and Foreign Sales and services during 2014-2016

| Revenue<br>From<br>Sales and<br>Services | Operated<br>by | 2014            |        | 2015            |        | 2016            |       |
|------------------------------------------|----------------|-----------------|--------|-----------------|--------|-----------------|-------|
|                                          |                | Million<br>Baht | %      | Million<br>Baht | %      | Million<br>Baht | %     |
| Domestic                                 | Company        | 2,505.64        | 98.21  | 3,023.35        | 99.44  | 3,402.29        | 99.98 |
| Foreign                                  | Company        | 45.56           | 1.79   | 17.14           | 0.56   | 0.69            | 0.02  |
| Total Revenue from Sales and Services    |                | 2,551.2         | 100.00 | 3,040.49        | 100.00 | 3,402.98        | 100   |

Details on business operation of each segment are as follows:

# TVDmultiscreen



Digital TV  
Satellite TV  
Cable TV  
Satellite TV Channel  
Outbound  
Catalog  
Direct Mail



TVD Showcase  
TVD Caravan  
Flagship Store  
Category Killer Store  
TVD Card



Mobile App  
Microsite / Landing Page  
Website / Mobile Site  
LINE Official Account  
Email / SMS / Social  
Viral Marketing  
Retargeting

# DIRECT SHOPPING



# Direct Shopping

Direct shopping can be separated into 3 categories as follows:

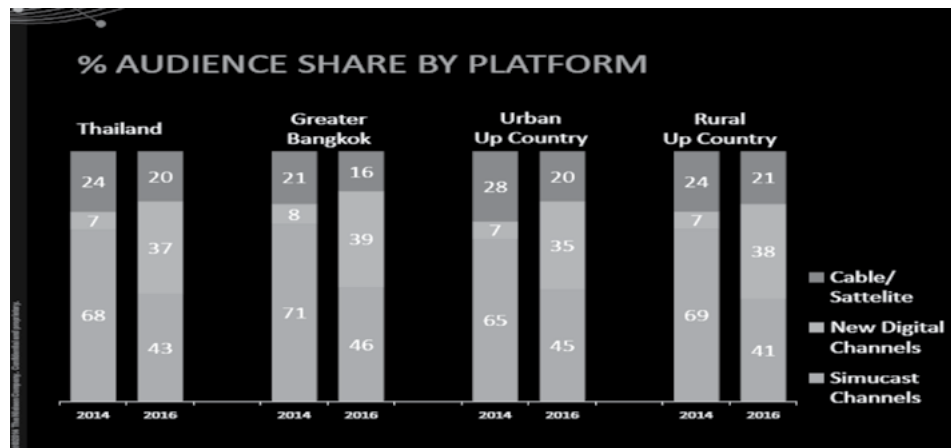
## 1. TV Marketing

### (1) Description for products and services

TV media is still the major media that can generate high value to our company continuously due to high volume of audiences approaching and higher efficiency compared with other kinds of media. Although online and digital media is growing increasingly with rapid popularity, it can approach some specific consumer groups only. Moreover, TV media also adds more channels for viewing its content via many types of online media including Website, Facebook, applications, and Line, etc. Increasing of viewing channels with multi-screen system has been prepared by our company to enable audiences to view our programs on TV at any time and any place upon lifestyle of new generations. Consequently, it is the responsibility of our marketing team to develop our programs to be full with entertainment and attractiveness. In addition, it is also necessary to present our programs under the rules and regulations of Thai government and Digital TV stations. Accordingly, our program format of 2016 can be broadcasted in all channels of Digital TV and we also added the strategies by adding new programs with compact format in order to support broadcasting in some limited time offered by the TV stations. Consequently, consumers can watch our programs increasingly leading to higher sales volume. In 2016, since broadcasting system was in digital system with HD resolution our programs are more interesting and attractive which audiences can watch our programs in HD resolution throughout Thailand.

According to the company's sales volume in 2016, TV product selling was still considered as the section that could make sales volume to hit our goal. TV marketing section established the action plan and divided units for supporting selling leading to 3 marketing channels as follows:

1. TV marketing (Free TV & Digital TV)
2. Satellite TV marketing (Satellite TV stations)
3. TV Direct's Satellite TV Channel marketing



To sell products via television, it is necessary to have marketing plan and operation. The elements of operation for building success of working could be concluded and ordered as follows:

1. Merchandise Marketing
2. TV Home Shopping production
3. Media Plan
4. Product Promotion
5. TV Direct TV Station
6. Call Center & Tele Marketing
7. Data System

The details of each plan are as follows:

## Merchandise Marketing

The marketing policy of product sourcing or Merchandise Marketing is supplying necessary products for every family and house leading to regular sales volume in each month. These products are considered as the product group that can improve sales volume. In addition, there should be other products that are popular and festive products for improving sales volume to hit the goal. However, since consumers have more alternatives of distribution channels and informatics programs of products, all products presented in our programs should be interested by audiences and they should be able to attract viewers immediately after seeing them. Consequently, it is not easy for product sourcing department to seek for, select, and perform pricing.

Products can be initial classified as follows:

Product variations for family and customers to choose from in all segments are:

- Household                      Household accessory and tools
- Kitchen                        Kitchenware
- Sport & Fitness              Sport and exercising equipment
- Beauty                         Products for women and skin care and beauty products
- Health                         Products for health and food supplement
- Car & Travel                Car and travelling accessory



Popular and trendy product categories in various festivals including

- Fashion apparel, bras, leggings, Slim wear
- Gadget, IT, Smart Phone
- Auspicious products and others



The product procurement under the merchandise team still used the Company's main key- point i.e. good product, good quality, response to the needs of life with returnable goods guarantee, which are the selling points that always boost the confidence in purchasing of the Company's product.

## TV Production

Normally, the format of our programs that we have been producing for long period is considered as our uniqueness that can be recognized by audiences. This could be considered that it is the model of this kind of program. However, since there is no rule and regulation of Digital TV stations on infomercial programs, our team developed and designed a new format with entertainment knowledge provided along with our products selling under the appropriateness of Thai government's principles in order to show our reliability and responsibility to society as we have been doing for long period.

For production of infomercial programs for our own TV station, we produce some programs in the format of Home Shopping that is live broadcasting enabling audiences to contact us for asking information of products rapidly. In addition, the hosts are also able to perceive the feedback of our selling immediately. Consequently, our products are circulated and can be offered via TV programs more rapidly giving more opportunities to us in improving our marketing and selling.

In 2016, our Production Team also produced the infomercial programs with the length of 2 minutes causing our creative staffs to work hard in order to obtain the creative program format for selling products within limited time in order to respond to the remaining advertising duration of Digital TV stations. Normally, it is hard to find the duration offered by TV stations to broadcast advertisement spot that is longer than 2 minutes, this strategy will increase frequency of viewing and sales volume properly.



## Media Plan

### • Digital TV

After the occurrence of 22 Digital TV stations in Thailand, it is necessary for us to have the strategies for planning our Digital TV Media marketing efficiently. Generally, agencies prefer using rating information of Nielson (Thailand) Company Limited. According to the Annual Report, rating of TV channels could be shown as follows:

nielsen

**Average TV RATING:(6-24:00)(1January-10October59)**

| 15+ Nationwide |                                                                                   |        | Bangkok |                                                                                   |        | Urban |                                                                                   |        | Rural |                                                                                     |        |
|----------------|-----------------------------------------------------------------------------------|--------|---------|-----------------------------------------------------------------------------------|--------|-------|-----------------------------------------------------------------------------------|--------|-------|-------------------------------------------------------------------------------------|--------|
| Rank           | Channel                                                                           | Rating | Rank    | Channel                                                                           | Rating | Rank  | Channel                                                                           | Rating | Rank  | Channel                                                                             | Rating |
| 1              |  | 3.211  | 1       |  | 3.765  | 1     |  | 3.260  | 1     |  | 3.378  |
| 2              |  | 2.280  | 2       |  | 2.737  | 2     |  | 3.049  | 2     |  | 1.365  |
| 3              |  | 1.179  | 3       |  | 1.254  | 3     |  | 1.282  | 3     |  | 1.054  |
| 4              |  | 0.718  | 4       |  | 0.837  | 4     |  | 0.681  | 4     |  | 0.654  |
| 5              |  | 0.594  | 5       |  | 0.638  | 5     |  | 0.492  | 5     |  | 0.578  |
| 6              |  | 0.571  | 6       |  | 0.537  | 6     |  | 0.485  | 6     |  | 0.524  |
| 7              |  | 0.321  | 7       |  | 0.359  | 7     |  | 0.323  | 7     |  | 0.300  |
| 8              |  | 0.278  | 8       |  | 0.306  | 8     |  | 0.314  | 8     |  | 0.237  |
| 9              |  | 0.249  | 9       |  | 0.304  | 9     |  | 0.268  | 9     |  | 0.184  |
| 10             |  | 0.217  | 10      |  | 0.283  | 10    |  | 0.216  | 10    |  | 0.168  |
| 11             |  | 0.162  | 11      |  | 0.218  | 11    |  | 0.171  |       | Boomerang                                                                           | 0.616  |
|                | Boomerang                                                                         | 0.532  | 12      |  | 0.198  | 12    |  | 0.168  |       | M-Channel                                                                           | 0.213  |
|                | M-Channel                                                                         | 0.182  |         | Boomerang                                                                         | 0.517  |       | Boomerang                                                                         | 0.508  |       | Sabaidee                                                                            | 0.168  |

For TV Direct Public Company Limited, most broadcasting programs are infomercial programs with the approximate length of 25 minutes per program per product. We increase our broadcasting frequency by producing some spots with the length of 2 minutes for broadcasting in Prime Time and good rating periods. The roles of our media team in planning this part of marketing rely on information from various parts started from database from Profile of each digital TV station and rating information of Nielson (Thailand) Company Limited classified by gender, age, occupation, and area as well as feedback of selling after broadcasting. Our media team has to check response by preparing the Product Report comparing sales for the meeting on media and promotion adjustment and negotiation in order to focus on sales volume and profit improvement. Primarily, our turnover hit the goal until the end of 2016 due to the unexpected occurrence of Thai people causing suspension of TV broadcasting giving big effect to our sales volume. Accordingly, our media team prepared a new plan urgently within 2 months in order to improve our sales volume to meet with our 2016 goal. With the cooperation of all departments and marketing experience of our management team, we was able to plan our action plan timely enabling us to be successful as planned.

### • Sat TV

According to the situation of Digital TV and limited economic expansion as well as strictness of Thai government (FDA, OCPB, and NBTC) and classification of TV channel numbers; there were many Sat TV channels that had to be closed.

The use Sat TV media for infomercial programs of TV Direct is not various because we choose only channels with good rating and programs. However, with smaller number of those channels, the number of viewers is also small. Consequently, sales volume earned from this business is deemed as compliment income that is appropriate with the media cost we paid.

### ● Satellite TV of the TV Direct Public Company Limited (TVD TV station)

TV Direct Public Company Limited invests in opening a satellite television channel as in its planned TV station by receiving broadcasting permit for 3 stations from the Office of the National Broadcasting and Telecommunications Commission, and has been in operations not less than 3 years i.e.

- |                    |                                                                 |
|--------------------|-----------------------------------------------------------------|
| 1. Health & Family | Station for health and family                                   |
| 2. 1618 Shop       | Station for variety, SME product, Thai product                  |
| 3. CH. 55          | Station for variety and product innovation introduction program |

Management, broadcasting, and program charting plans, and other marketing plans of these 3 stations are treated as channels of distribution which is considered as the Company's main strategy, and details are listed in the section TV station.

### Sale promotion activities

For current product selling, it is unavoidable to offer promotion along with the product as the strategy for encouraging audiences to be interested and call for ordering products more rapidly and easily. This can be seen clearly from almost infomercial programs in offering products with high price but can be affordable for buyers after including with premiums and promotions. Accordingly, it is necessary for our merchandise team to provide promotions for offering with all products until some premium can attract customers better than our major products.

The format of infomercial programs broadcasted via digital TV stations is divided into 2 parts, i.e., content and spot focusing on selling, price, and promotion for correctness according to rules and regulations of broadcasting of all TV stations.

Products of TV Direct emphasizes on differences with good quality product, and coming from a well-accepted company with returnable goods guarantee, which are the selling points that always generate good and constant sales volume for the Company.





## TV Direct TV Station

This satellite TV station is the satellite channels which TV Direct Public Company Limited has been licensed by NBTC for 3-4 years. There are 3 channels of this TV station broadcasted via C Band and KU Band systems (except for Health & Family channel). Audiences can view our programs via this channel through Free to air satellite boxes that is recently developed to be HD definition including:

| No | Channel                                                                                              | Type of Reception                                                                                                                                                                               |
|----|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | <br>Health & Family | Health and family station<br>Target : Family and Healthy People                                                                                                                                 |
| 2  | <br>1618 Shop      | Station for variety, SME product, Thai product<br>Target : All People , Bangkok & Urban<br>C Band, KU Band / Thaicom satellite                                                                  |
| 3  | <br>CH. 55        | Station for variety and product innovation introduction program<br>Target : All People<br>Channel number in most boxes is 55<br>and type of reception is<br>C Band, KU Band / Thaicom satellite |

Program format includes variety of travelling guide, historical documentary from aboard, movie and TV series from China, Korea and Hollywood, product introduction program and SME program.



This is considered as TV selling channel that can give the highest sales volume and the growth of our company that we can expect profit regularly. Since it is our own TV station, we have much flexibility in managing and performing the operation started from production to broadcasting schedule, and selling. Good sales volume is gained from live broadcasting which we can promote and test our products to audiences directly and it is also the good basement for the operations of other departments. The major strategies of these three stations are having good channel numbers that can be recognized and clicked easily. Other strategies are holding some activities and promotions in various festivals in order to make our stations popular and give us the specific target groups.

### **Tele Marketing**

Another important department of our company is sale department that is the first gate to build our sales volume. Accordingly, for efficiency, all telemarketing staffs must be trained on providing product information and have good understanding on our products in order to pass on such information on price and details of products, sale promotion to customers impressively. Consequently, customers will make decision on purchasing our products rapidly and immediately. Consequently, we focus on providing training to all sales team and telemarketing staffs on our products information, and outstanding by giving them some opportunities to touch and use actual products for thorough understanding. To determine the number of tele marketing staffs of each period, we manage work fields for supporting sufficient calling continuously throughout 24 hours as well as appointing the Head of each work field to solve all occurred problems that will help to stimulate sales volume and coordinate with the teams of other related sections to be ready perfectly.

All sales team and telemarketing staffs will gain salary, commission, rights, and welfares as same as other full-time employees. We also define some special goals of sale volume for some product items in order to make our staffs to alert and feel challenging with their works. This can be considered that our company has the largest amount of sales team and telemarketing staffs in the same business field. In addition, the quality of our staffs is also considered as good quality with true efficiency and experience.

Every day, the sales team will practice in understanding towards work and the best selling product of the day as well as understanding towards price and various promotions, and report sales performance individually in order to stimulate sales and build sales power for the sales team. Remuneration for them will be in the forms of unlimited commission, reward, gift, sale volume campaign, banquet food, and domestic and foreign touring trip which will create happiness and encouragement for all sales people as well as sustainably maintain high potential team.

### **Data System**

System, data, and networks are the important parts requiring regular and continuous checking, development, and upgrading in order to meet with demands of database works that have been increasing every month. To drive selling business, TV Direct selects only good quality programs that have been reliable by the world market although the investment in this part is quite high. Our company selects Cisco system as our data and network system that is considered as the world's reliable Data System. Consequently, TV Direct earns many benefits on customers' information, product's information, and selling. Therefore, this system is very important for network system in connecting our business to all departments. Accordingly, it is necessary and important to give maintenance and repairing to this system in order to remain our efficiency and management. The company which is the owner of this program also pays attention in giving maintenance to our database system regularly and punctually. Consequently, we can be confident in the potential of our reports on sale volume improvement, products delivery, and customer information storage as well as accounting and financial information for analyzing, planning, and managing efficiently.

## **(2) Marketing and Competitive Conditions**

### Marketing strategy and competitive situations

For promotion and supporting of television industry of 2016, most action plans of Thai government and NBTC emphasized on digital TV business. It could be seen that NBTC strived to facilitate business operations of digital TV through their measures, channel ordering, extension of payment period, and reduction of fees. These actions helped to support survival of 22 channels of digital TV. However, there were some stations requiring some co-entrepreneurs through selling some of their shares, increasing investment with some strong trading partners for their survival. For satellite TV stations and cable TV stations, they seemed to face with bigger problems causing them to close their channels and cancel some programs. In addition, they also competed on adjusting advertisement price and providing new packages to build income for their stations. Since the effects of infomercial programs of TV Direct and TV industry of 2016 were certainly under the estimation, our company emphasized on providing products that can increase sales volume for gaining worthiness from money invested in broadcasting.

For changing behaviors of consumers in digital TV period, our company prepares our readiness by creating marketing of multi-screen and HD definition in order to support lifestyle of new generations. This enables consumers and viewers to watch our products at any time and place as well as able to seek for information and suggestions before purchasing our products. Although there are many competitors with similar presentation that may confuse some consumers, it can be believed that TV Direct brand is able to build good image and guaranty on our products quality, trading, and retuning. With our 17 year experience, we can build good relationship with our customers and increase new customers regularly until our sales volume is getting increased every year. TV Direct has been always maintaining our quality and standards on products, services, and operational guidelines efficiently.

The overall picture of TV shopping and Home shopping of 2016 was expected to be 1.05 - 1.10 ten billion baht or the growth of 15.2%. However, the actual growth of the former year was only 6% that was increased to be 10-12% due to online marketing giving more alternatives of products shopping with higher number of promotions for stimulating sales volume.

For the companies that are the members of Home Shopping association, there is an analysis of Mr. Songpol Chanmartkij, the President of Home Shopping association, published in some publications on marketing of most home shopping businesses that most home sopping businesses planed the action plan under the same direction, i.e., focusing on sales volume. Besides using the major media or infomercial programs, there are higher amount of buyers who use online shopping because it is the shopping channel providing them some opportunities to have more information on selecting products. Simultaneously, although infomercial programs could be broadcasted 24 hours, there were only 40-50 products per TV station or around 1,000 products per month broadcasted via TV stations. However, products circulated in TV broadcasting could be displayed in online channel for over than 10,000 items. In long term, products broadcasted via television may be not interesting for most consumers and there will be only some of them that still prefer TV shopping. On the other hand, there will be some consumers increase their shopping channels via online channel because they can check products' information with good promotions. Marketing of all companies is still focusing on online channel and sales promotion in the future.

## **2. Outbound Call Center**

### **(1) Description for products and services**

The Company offers its products and services through the outbound call center using more than 400 personnel and operates at its call center. Customers will be contacted from the data base list prepared by the Company in which personnel will propose products and services at the same time. These personnel have been trained to understand products and services, and are able to give details and suggestions concerning products and services to customers, and builds good relationship with customers with constant cares. If customer wishes to purchase products and services, these personnel will be ready to be informed on requirement.

The outbound call center has its responsibility in offering products as per customers' requirement in order to give maximum benefit to customers, and gives constant aftersales services, creating good relationship with customers for maximum satisfaction, and also building good royalty between customers and corporation.

## (2) Marketing and Competitive Situations

### (2.1) Marketing strategic plan and monthly sales

The marketing strategy and sales has been planned on the monthly basis by setting total sales value and then separates into per team and per person. Coordination will be made with the MM&BM in coordinating joint strategy for forecasting stock, promotion, sale mix, and activity in building product selling passion to the telesales, and management of the back order products. Plan will be updated daily, weekly, and will be monitored for correction, sales adjustment, and problem solving to be in accordance with the agreed plan and strategy for rapid execution.

### (2.2) Target group

General customers with modern lifestyle, with purchasing power, all genders and age group

### (2.3) Competitive situations and the economy

In 2015, the domestic and foreign economic and political situations had rather clear impact towards sales value either in the form of the weakening Baht and decreasing oil prices. This caused problem for the export business and made consumers more cautious in their spending, thus, reduced our sales to 80% level of the estimated target. As there was more competitors in the business and had more of the share in the market, it resulted in our customers' data processing unit receiving less customer names, about 5,000 names per month, thus, sales volume missed out about 20%. However, various strategies had been applied into protecting the customer base to a good extend, and thus protected sales with the original customer group who had good loyalty with the corporation, and also controlling internal expenses.

Concerning products, they were very important as they had to be the necessary product such as product concerning health in order to stimulate sales that generated benefits for customers and their family as well.

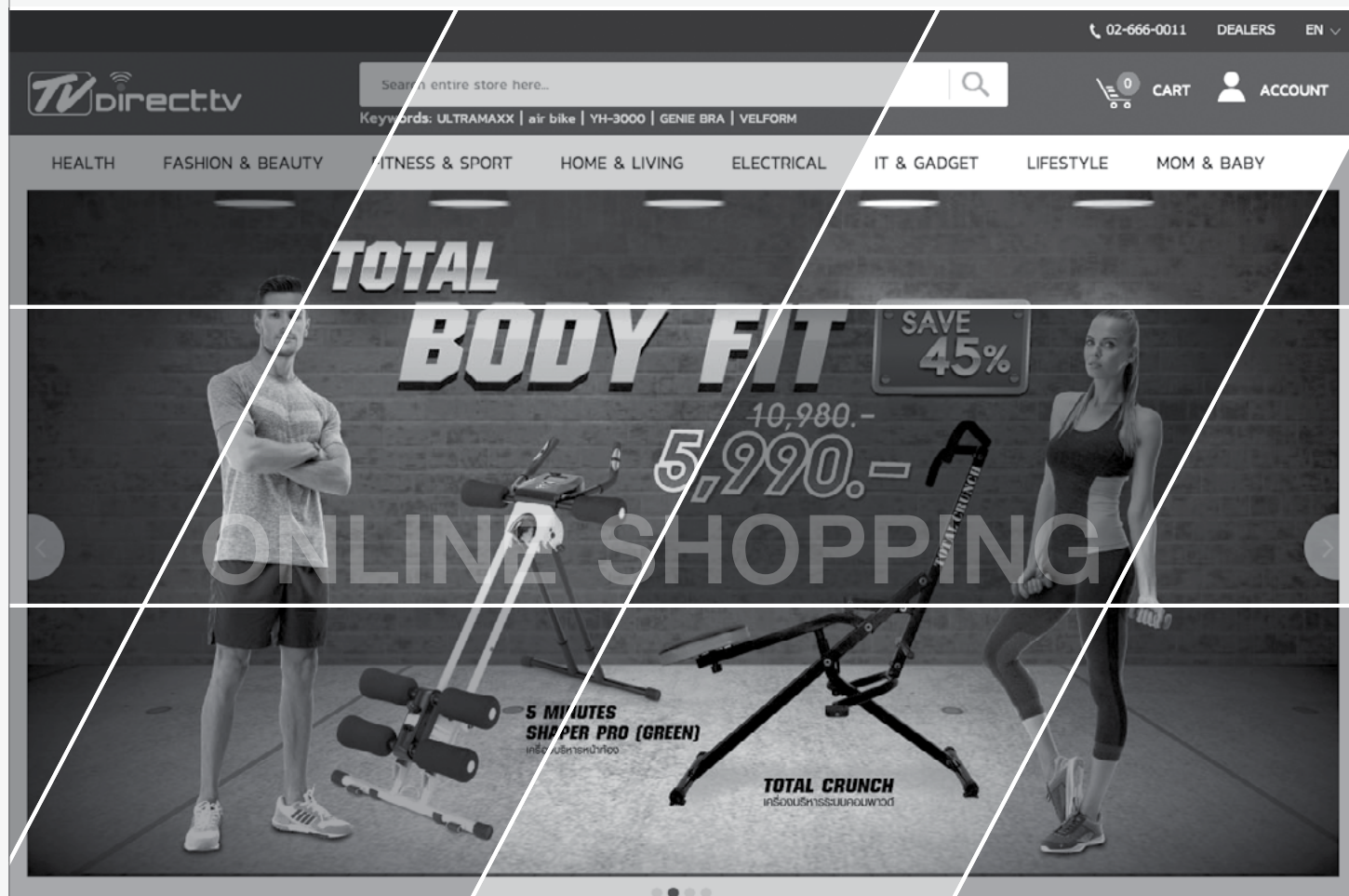
## 3. Direct Response Printing

The Company offers its products and services through direct response printing as follows:

(a) Catalogue: The Company prints 4 colour catalogues which have been printed every 2 months at about 100,000-150,000 catalogues. These catalogues present the Companys products and services in variety of more than 280 items under different brands, and have been delivered to customers as per the selected customers' base data to inform on products and services.

(b) Leaflet, brochure, direct mail, newspaper, magazine and other publication are used as products and services presentation, every month by mailing from customer names of the Company and other business allied companies such as banks, credit card, leasing, insurance, real estate company which is the tool for sales promotion, building new customer base and keep relationship with the existing customers. Customer can order products through these direct response printings by telephone to the inbound call center at specified number by the Company. The Company has ready personnel to accept the purchasing orders of more than 16 lines for 365 days, and these personnel have been trained to understand products and services, and are able to give details and suggestions concerning products and services to customers. The Company has the Voice Response Unit so waiting call from customers or messages can be contacted back. Moreover, the Company has made arrangement on receiving purchasing order for products and services through the facsimile system in order to serve customers who prefer through the facsimile machine.

# ONLINE SHOPPING



# Online Shopping

## 1. Description for products and services

### E-Commerce

TV Direct online shopping is another channel that provides distribution services through websites. This is to facilitate and serve requirement of the retail customer group in the digital age who spend their lifestyle with the online world so that services can be ordered by purchasing products through the websites conveniently through 24 hours by using many electronic gadgets.

## 2. Marketing and Competitive Situations

Main distribution channel is the website [www.tvdirect.tv](http://www.tvdirect.tv) which has been in operation since January 2010, and since then the system including functions and features has been developed for modernity.

Lately in September 2017, the website [www.tvdirect.tv](http://www.tvdirect.tv) had major facelift by adding more features with easier usage for all type of equipment either by computer, tablet and the smartphone in order to speed up the product ordering and membership application. It also included various channels of payment including collection upon receiving product as well. There was also promotion on free delivery to all area in Thailand with only shopping online amount of over Baht 500 which was designed to serve the new technology and lifestyle of the new generation who always “on the go”.

The TV Direct website is growing steadily with constant expansion of its customer base by increasing its members, and in previous year, the number of visiting website was over millions. At present, the TV Direct website has over 8 categories of products of over 2,000 items covering nearly all product groups, and it is expecting to expand in numbers of categories and items for more coverage soon in order to serve all type of target group, gender, and age group.

Moreover, the marketing and sales promotion activities have been designed to fully cover all online media. Emphasizing will be made in communication and marketing aspects mainly in the social media such as “Facebook fanpage: TV Direct” which has over 150,000 likes, and also in LINE, the LINE official account - TV Direct has been officially opened in April 2015. At present, the membership base is over 6 million in number which only includes from the main social media and the trend is growing. Apart from follow up on the new promotions through these channels, the customers can also make enquiry on product information on real time as well as using it for normal contact for services from the call center.

In order to expand its customers base and sales figure, TV Direct emphasizes on using the Multi-Channel marketing strategy in spreading its product distribution to cover all leading channels in the online business. Cooperation has been made with the business allies and leading market places in Thailand such as [lazada.co.th](http://lazada.co.th), [11st.co.th](http://11st.co.th), [cmart.co.th](http://cmart.co.th), [orami.co.th](http://orami.co.th) so that marketing and product distribution through these marketing websites will have full coverage. Additionally, the mobile application system has been developed so that customers can easily order product through the smartphone.

Hence, by developing the marketing strategy together with introducing new technology for maximum efficiency usage towards the target group constantly, the Company is confident that the TV Direct online shopping will be another channel that will generate good operating results and continuous grow as planned.





# RETAIL SHOPPING





# Retail Shopping

## 1. Description for products and services

The Company distributes products and services through retail shops of “TV Direct Showcase”, including wholesale distribution to domestic and foreign customers.

There are over 2,000 product items for distribution with details as per catalogue shown in the TV marketing section.

## 2. Marketing and Competitive situations.

### 2.1 Marketing Strategy

In order to compete with other business operators, the Company’s marketing strategies are stated below.

1. Select quality and variety of products. The Company policy is to select quality domestic and foreign products, and products that cannot be purchased from general stores, and including variety of product types on offer to customers.

2. Selection of suitable locations for retail shops, as the Company opens retail shops in communities with purchasing power, and easy access to service and enables all branches to gain profit as planned.

3. Recruiting and training of salespersons using modern information system for efficient recruitment and result in obtaining knowledgeable personnel who can perform efficiently.

4. Arrangement on marketing activities by linking distribution channels according to new business model “Multiscreen”. The retail section is 1 of 3 channels that enable customer to acknowledge the Company products. based on conventional purchasing behavior.

### 2.2 Customer target groups

Customers’ target group for general marketing business can be separated into 4 groups as follows:

1. Retail customer group that represents general retail customers who purchase products and services from the Company through various channel of the Company and other retailing customers.

2. General corporate customer group,

3. Local wholesale customers which represent customer group that purchases products from the Company for resale purposes such as drug stores, general merchandise shops, operators of shopping malls and department stores, etc.

4. Foreign wholesalers which represent customers who purchase through the Company for resale in other foreign countries such as customers from Indochina region.

### 2.3 Sales and distribution channels

The Company uses distribution channels for sales of its products and services as follows:

1. Product sales through the Company’s retail shops

The Company offers retail sales through its “TV Direct Showcase” shops which situate in every region of the country. The Company’s retail shops will separate the area layout by itemizing the product segment as per their types with sample of products for tryout such as many types of exercise equipment, etc.



As at December 31, 2016, there are 77 “TV Direct Showcase” retail shops, situate in communities, leading department stores, and modern trades as per list below.

| Province     | Qty | Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bangkok      | 14  | (1) Head office<br>(2) Central Plaza -Rama 2 branch<br>(3) Central Plaza -Rama 3 branch<br>(4) 4026,4028,4030 Soi Jakawarn cinema, Asoke-Dindaeng, Dindaeng<br>(5) 296 Panitchakarn Thonburi road, Watthaphra, Bangkokyai, Bangkok<br><br>(6) The Mall -Bangkapi<br><br>(7) The Mall -Ram Kham Haeng<br><br>(8) Silom Complex Building –Silom Road<br><br>(9) Seacon Square – Srinakarin<br>(10) Fashion Island<br>(11) Supreme Complex -Samsaen<br>(12) Paradise Park<br>(13) Seacon -BangKae<br>(14) Plearnary Mall- Watcharapol |
| Nonthaburi   | 5   | (1) 26/11 Pracharaj Road, Talard Quan, Muang District, Nonthaburi<br>(2) Homeworks Shopping Mall, Ratchapruek<br>(3) Central Plaza Ratanatibet<br>(4) Central Plaza Changwattana<br>(5) The Mall -Ngam Wong Wan                                                                                                                                                                                                                                                                                                                    |
| Pathumthani  | 2   | (1)176,178, Rattanakosin 200 years Village, Rangsit - Pathumthani Road, Prachatiput, Thunyaburi District, Pathumthani 12130<br>(2) Future Park - Rangsit                                                                                                                                                                                                                                                                                                                                                                           |
| Nakhonpathom | 2   | (1) 88 Rajwithee Rd., Prapathom Jaydee, Muang District, Nakhonpathom<br>(2) Central Plaza Salaya                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Samutprakan  | 3   | (1) 2014/2 Moo 9, Tayparak Rd., Samrong Nua, Samutprakan<br>(2) Mega Bangna<br>(3) Imperial World – Samrong                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Samutsakhon  | 1   | 1300/93, Ekkachai Rd., Mahachai, Muang District, Samutsakhon                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Phetchaburi  | 1   | 680/47-48, Moo. 5, Banmor, Muang District, Phetchaburi 76000                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Ratburi      | 2   | (1) 178/5-6, Phetkasem Rd., Nar Muang, Muang District, Ratburi<br><br>(2) Robinson Department Store, Ratburi                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Ayutthaya    | 2   | (1)134/28, Moo. 3, Klong Suanplu, Phanakhon Sri Ayutthaya 13000<br>(2) Ayutthaya Park Department                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Suphanburi   | 1   | 249/289 Moo 5, Tar Rahut, Muang District, Suphanburi                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Kanchanaburi | 2   | (1)35/8 Saeng Chootoe, Muang District, Kanchanaburi<br>(2) Tesco Lotus, Kanchanaburi branch                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Nakhonsawan  | 1   | 152/4 Sawam Wethee Rd., Parknampoe, Muang District, Nakhonsawan                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Province             | Qty       | Location                                                                                                                                                                                                                                                 |
|----------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chonburi             | 5         | (1) 112/177 Moo. 1, Samed, Muang District, Chonburi<br>(2) 70/23-24, Moo. 11, Nong Prue, Banglamung, Chonburi 20150<br>(3) Tesco Lotus Shopping Center, Ohmmata Nakorn branch<br>(4) Pacific Park Shopping Center, Sriraja<br>(5) Central Plaza Chonburi |
| Chanthaburi          | 1         | 30/255 หมู่ที่ 7 ต. จันทนิมิต อ.เมือง จันทบุรี                                                                                                                                                                                                           |
| Rayong               | 1         | 65/19, Chanta Udom Rd., Ta Prodoo, Muang District, Rayong                                                                                                                                                                                                |
| Chacengchao          | 1         | Robinson Chacengchao                                                                                                                                                                                                                                     |
| Prachinburi          | 1         | 592/34-35 Moo. 7, Tatoom, Srimahaphot, Prachinburi                                                                                                                                                                                                       |
| Saraburi             | 1         | 184 Phahon Yothin Rd., Park Praew, Muang District, Saraburi                                                                                                                                                                                              |
| Lopburi              | 1         | 136 Narai Maharaj Rd., Talay Chupsorn, Muang District, Lopburi                                                                                                                                                                                           |
| Chiangmai            | 2         | (1)38/12-13, Chiangmai – Lampang Rd., Changphuek, , Muang District, Chiangmai 50300<br>(2) Central Airport Plaza, Chiangmai                                                                                                                              |
| Chiangrai            | 2         | (1) 149/4 Tessabarn Bando, Phahon Yothin Rd., Muang District, Chiangrai<br>(2) Central Plaza Shopping Center, Chiangrai                                                                                                                                  |
| Phitsanulok          | 2         | (1)298/14 Barom Trilokkanart 2 Rd., Naimuang, Muang District, Phitsanulok<br>(2) Central Plaza Shopping Center, Phitsanulok                                                                                                                              |
| Nakhonratchasima     | 3         | (1) 223, 225 Mittrapab Rd., Naimuang, Mang District, Nakhonratchasima<br>(2) The Mall Shopping Center, Korat<br>(3) Terminal 21 – Korat                                                                                                                  |
| Khonkaen             | 2         | (1)182/133 Srijun Rd., Muang District, Khonkaen<br>(2) Central Plaza Shopping Center, Khonkaen                                                                                                                                                           |
| Roi-et               | 1         | Ronbinson – Roi-et                                                                                                                                                                                                                                       |
| Udonthani            | 2         | (1) 26 room 1-2 Moo 7, Taharn Rd., Mark Kaeng, Muang District, Udonthani<br>(2) Central Plaza, Udonthani                                                                                                                                                 |
| Ubonratchathani      | 1         | 188,190 Upparaj Rd., Naimuang, Muang District, Ubonratchathani                                                                                                                                                                                           |
| Buriram              | 2         | (1)40/7 Thanee Rd., Niamuang, Muang District, Buriram<br>(2) Robinson - Buriram                                                                                                                                                                          |
| Prachuapkirikhan     | 1         | Huahin Market Village Shopping Center                                                                                                                                                                                                                    |
| Surat Thani          | 2         | (1) 263/4-5 Chonkasem Rd., Talad, Muang District, Surat Thani<br>(2) Central Plaza Shopping Center, Surat Thani                                                                                                                                          |
| Nakhon Sri Thammarat | 2         | (1)8/16 Pattana Kukwang Rd., Niamuang, Muang District, Nakhon Sri Thammarat<br>(2) Robinson Ocean - Nakhon Sri Thammarat                                                                                                                                 |
| Phuket               | 1         | 110/1 Wichit Songkram Rd., Talard Nua, Muang District, Phuket                                                                                                                                                                                            |
| Songkhla             | 2         | (1)488/5 Phetkasem Rd., Haadyai, Songkhla<br>(2) Diana Shopping Center, Haadyai                                                                                                                                                                          |
| Pattani              | 1         | 300/67-68 Nongjik Rd., Rusamilae, Muang District, Pattani                                                                                                                                                                                                |
| Trang                | 1         | Robinson Shopping Center, Trang                                                                                                                                                                                                                          |
| Chumphon             | 1         | 116/7, Kromluang Chumphon Rd., Tar Taprow, Muang Chumphon District, Chumphon                                                                                                                                                                             |
| Phetchabun           | 1         | 52/45 Taepa Pattana Rd., Niamuang, Muang District, Phetchabun                                                                                                                                                                                            |
| Mukdahan             | 1         | Robinson, Mukdahan                                                                                                                                                                                                                                       |
| <b>รวม</b>           | <b>77</b> |                                                                                                                                                                                                                                                          |

## 2. Product sales through wholesale channels

### 2.1 Local wholesaling.

The Company offers sales for local wholesalers to various types of customers as follows:

(a) Department stores and retail modern trade stores such as the Mall Department Store, Big C, Macro, Tesco Lotus, Robinson Department Stores.

(b) “Category Killer” stores type such as HomeWorks, HomePro, Supersport, SportMall.

(c) Operators of the drug stores, and various companies. Typical product sales through local wholesalers can be categorized into 2 types. (1) The outright sales: Customers will purchase products through the Company, and products will be delivered as stated in the purchasing orders. After delivery, collection will be made from customers with 90 days credit term. (2) Consignment sales: The Company will deliver products and consign them to customers. Payment will be made to the Company after products have been sold. Customers with consignment condition are Robinson Department Store, The Mall Department Store, Supersport, etc.

### 2.2 Foreign wholesaling.

Foreign wholesaling products are offered to Indo-China’s group of countries i.e. the Lao People’s Democratic Republic, Kingdom of Cambodia, Malaysia, and Socialist Republic of Vietnam. In countries where the affiliated companies have invested in the sales and services business through varieties of channels, the Company will distribute all products to its affiliated companies, which consist of Direct Response Television Co., Ltd., TV Direct Lao Co., Ltd., and TV Direct (Malaysia) Sdn. Bhd.

### (2.4) Overall industry

Retailing and wholesaling business in 2016 is relatively slow that it reflects an decreasing competitive trend in the direct sales business but the business can be adjusted to continue its business in terms of policy, cost reduction including differentiate retailing channel from other general retailing business. As a result, the retailing and wholesaling business of TV Direct tends to gain profit in the future.

### (2.5) Competitive situation

The general marketing business is highly competitive whether in the form of distribution channels for products and services, and competition in sourcing of products and services. Competitors can be categorized as per industrial groups below:

1. Fitness equipment products group.
2. Beauty and food supplement group.
3. Kitchen equipment products group.
4. Variety products group.

The Company has considered competitive situations among the above operators as each individual operator has different strong points which indicate different positioning. However, the Company has policy to compete with higher competitive situation in the general marketing business by increasing its number of retail shops for TV Direct Showcase to achieve the economy of scale, and increasing its distribution channels with more retail and wholesale operators. Moreover, policy on inventory management has been given priority and development on product delivery to consumer has been speedup. Hence, the Company is confident with its preparation and ability in dealing with the increasing competitive situation in future.

### 3. Product delivery

The Company has the product delivery system as follows:

1. For local transportation to customers, the Company will make direct delivery as:
  - (a) Products will be transported by the Company from its warehouse to the main distribution center or to its various retail shops by using its own 31 trucks at present.
  - (b) For wholesalers in Bangkok and its vicinity, the Company's trucks will deliver products within 3-5 days, and for provincial wholesalers the Company will hire transporters to deliver products to customers within 5-7 days.
2. Product delivery to foreign customers can be categorized as:
  - (a) Product delivery to customers in Malaysia and the Socialist Republic of Vietnam will be delivered by ships, and / or trucks.
  - (b) Product delivery to the Lao People's Democratic Republic, Kingdom of Cambodia will be by trucks from transport companies with the ex-works conditions. The ex-works states that seller will end its product delivery commitment as per contract when seller makes its products ready for transportation at the seller's own place. Seller is not responsible for transferring products on to the trucks, exporting procedures, expenses on transporting products from sellers' warehouses to destinations, and all risks will be with purchasers. Hence, in this case, all risks and benefits will be transferred to purchasers when the transportation company receives products from the Company's warehouse. Then, the shipping processes to these two countries can be summarized as:
    - Export sales to the Lao People's Democratic Republic: The transport company receives products and transport to Nongkai, after that officer from the customer's company will receive products and makes exporting procedures to the Lao People's Democratic Republic. After receiving products satisfactorily customer will send e-mail confirmation as a proving export document to the Company.
    - Export sales to the Kingdom of Cambodia: The transport company receives products at the company's warehouse, and after receiving products satisfactorily, e-mail will be sent to the Company as exporting document. However, since the end of last year, the bill of lading has been introduced into effect as additional exporting evidence.

### Restrictions on the operations of the Company

Direct sale business of the Company represents direct sale of products and services to customers and the Company has registered its direct sale business with Office of the Consumer Protection Board which is in accordance with the Direct Sales and Direct Marketing Act B.E. 2545. Moreover, the Company has policy to comply with the Consumer Protection Act B.E.2522, and various rules and regulations of the agencies. Product on the type of food, cosmetics, medical equipment, and dangerous household equipment has to be given permission from Food and Drug Administration, and for document and advertising for product presentation, sample must be sent for approval to the Food and Drug Administration prior to usages.

On product distribution, the Company allows customer the right to return product by guarantee customer's satisfaction on purchasing within 30 days after receiving product. However, if customer is not satisfied with the product, product return, or new replacement, or other product can be replaced within 15-30 days after report of dissatisfaction and the Company will refund to customer within 7-30 days according to customer's payment method.

(a) In case payment is by cash or money transferred into account, the Company will make cash refund within 7-15 days after receiving product back in complete and good condition.

(b) In case payment is by credit card, the Company will make payment through the credit card in the form of debit account to customer in the next statement.

## Table show amount of products returned in 2014-2016

(Unit: million baht)

|                            | 2014  | 2015  | 2016  |
|----------------------------|-------|-------|-------|
| Amount of product returned | 14.94 | 11.65 | 10.31 |

### Dependence on Customer

In 2016, the Company was not dependent on big or individual customer at proportion of more than 30% of total revenue.

### Product Sourcing

On business operation of the Company, the Company will have to consistently source for new products for presentation to customers by using its product and marketing unit to source and make contact with domestic and foreign distributors. Product samples will be requested for consideration before presentation to customer, or personnel from the product and marketing will travel to source and make selection of product from foreign manufacturer or distributor i.e. from South Korea, Hong Kong, Taiwan, Japan, etc. Apart from contacting to manufacturer or distributor, there are cases where manufacturer or distributor makes contact with the Company to present their products for consideration. Product selection will mainly emphasized on quality more than pricing.

### Detail on purchasing of domestic and foreign products during 2014-2016

| Purchasing Order        | 2014         |        | 2015         |        | 2016         |        |
|-------------------------|--------------|--------|--------------|--------|--------------|--------|
|                         | Million Baht | %      | Million Baht | %      | Million Baht | %      |
| Domestic Products       | 315.39       | 33.79  | 375.10       | 40.00  | 260.91       | 27.51  |
| Foreign Products        | 617.99       | 66.21  | 560.80       | 60.00  | 687.51       | 72.49  |
| Total Purchasing Amount | 933.38       | 100.00 | 935.91       | 100.00 | 948.42       | 100.00 |

Characteristics of the products can be separated into major types below:

1. House Brand: Products that the Company has the trademark rights in which at present, the Company owns 3 trademark rights, consisting of;

- a) Fatis – food supplement product
- b) Wellness – Fitness equipment product
- c) Nuvite – food supplement product

For this type of product, the Company will contact domestic and foreign manufacturers to produce products for the Company.

2. Products that have been appointed as agent : The Company has been appointed from manufacturer or distributor as agent in the specified area. At present, main products that the Company has been appointed as agent consist of;

a)Velform Hair Grow and Velform Hair Grow Plus : The Company has been appointed from Industex S.L. from Spain as sole agent with exclusive right in Thailand, Laos, and Cambodia through TV marketing channel, home shopping, mail order, and direct response printing, and E-Commerce.

b)Bawang Shampoo product : The Company has been appointed from Hong Kong Bawang International Trading Limited as agent with the exclusive right in Thailand. The Company has agreement with Hong Kong Bawang International Trading Limited that Hong Kong Bawang International Trading Limited will not distribute Bawang shampoo product to customer outside Thailand who has intention to import product into Thailand.

c)Eagle Eyes : The Company has been appointed from Sun Tiger Inc. Db a Eagle Eyes Optics as agent with exclusive rights in Thailand, Vietnam, Cambodia, and Laos.

d)Pest Free : product for rat and cockroach expeller

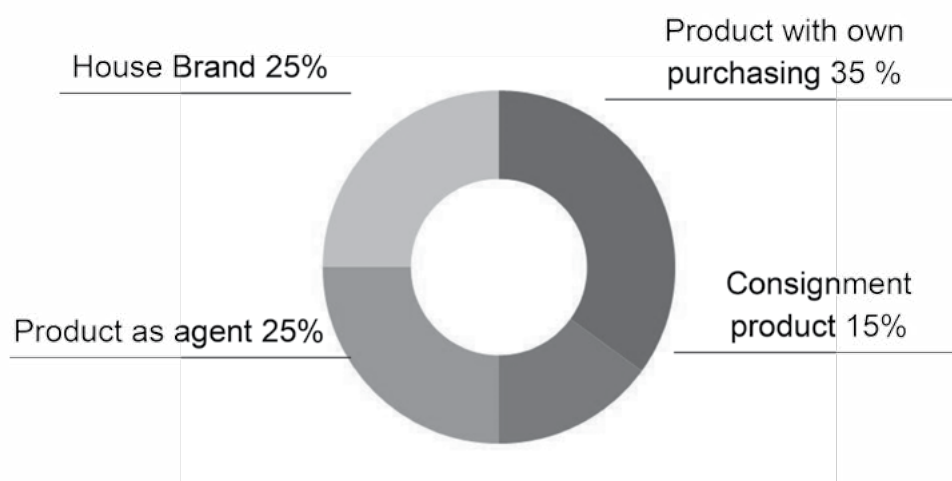
The Company has been appointed as agent from Pest Free Australia Pty. Limited with exclusive rights in Thailand.

(e) Comfortable woman underwear : The Company has been appointed as agent from Tristar Product Inc. with exclusive rights in Thailand.

(f) Motor Up: Car care accessory : The Company has been appointed as agent from MotorUP Europe with exclusive rights in Thailand.

3. Consignment product is the product that the Company receives from owners of various products, and product cost will be paid to owners after products have been sold to customers. These types of products are the beauty products, kitchen products, household products, or technological products. At present, products distribution through direct sale channel by Sarah Direct will be consignment products which will greatly eliminate risk on inventory cost for the Company.

Proportional ratio on product sourcing as indicated by the Company's estimation can be summarized below:



### Dependence on distributor

In 2016, the Company was not dependent on big or individual distributor at proportion of more than 30% of total revenue.

### Inventory Management

The Company has established the supply chain management department for inventory management in order to monitor movement of products being distributed. The Company has rented a warehouse for storing goods at 222 moo 17, Sarmwarr road, Minburi sub-district, Minburi district, Bangkok, which has storing capacity of 4,780 square meters, separating into ordinary storage of 4,450 square meter, and area for air conditioners of 280 square meters. The Company has signed contract with JWD InfoLogistics Co., Ltd., for renting and supervising the warehouse building, and its contents since August 2009, and has extended the contract twice. Present contract has duration of 3 years starting from August 1, 2013 until July 31, 2016 and the term is extended to January 31, 2017. Moreover, JWD InfoLogistics Co., Ltd., will service on inventory count, inventory management, and moving products from the inventory in preparation to load on to the Company's trucks that arrive at the warehouse. The Company's delivery trucks will take these goods to distribution centers as per Company's order. The JWD InfoLogistics Co., Ltd., will operate its duty with personnel from the Company who have been sent to work at the warehouse. Moreover, the Company also has another sub-warehouse at 110/3 moo 6, Tarraeng sub-district, Bangkhen district, Bangkok.

The Company's 2 main distribution centers have their duties to deliver products to various retail shops of the Company and to the Company's customer i.e. (1) 4026,4028, and 4030, Soi Jakrawarn cinema, Asoke-Dinaeng road, Dindaeng sub district, Dindaeng district, Bangkok, (2) Ta Praa Distribution Center at 296, Panitchakarn Thonburi Road, Wat Taphra sub-district, Bangkok Yai district, Bangkok. Apart from these 2 distribution centers, the 34 retail shops of TV Direct Showcase also operate as additional distribution centers.





# Risk Factors



**Important risk factors for the Company and/or its affiliated companies, including risk management and procedures on risk preventions are as follows:**

## **1. Stability of computer system for business activities**

Company's business activities depend on important data storage, and data processing of computer system such as data on customers' purchasing orders, products delivery to customers, remaining inventory, about more than 3 million customers' data information, data connection between head office and warehouse, data linkage between head office with the distribution centers and branches, online products' sales through website, etc. In case of computer system's malfunction from various causes, such as computer programs break down, electrical system failure, and if problem cannot be solved on time, some negative repercussion may results to the Company's business activities.

### **Risk management of the Company**

The Company has introduced measures in dealing with computer system's malfunction as follows:

- (1) Development on efficiency of the computer server, and networking system for data back up and data recovery, including the establishment and management of data center in case of emergency.
- (2) Arrangement for the uninterruptible power supply (UPS) in case of electrical system failure, the backup electrical supply will last for about 1 hour.
- (3) Arrangement on the maintenance time table schedules for the transformer, and switch board for the main distribution board (MDB), and the load center (LC).

## **2. Stability of the telephone system for business activities**

Company's business activities depend on the telephone system to communicate with customers using the inbound call center, and outbound call center. Hence, if telephone system failure occurs from various causes such as failure on the telephone control system, and telephone lines cannot cope with the incoming calls volume, this will result in impact against the Company's business activities

### **Risk management of the Company**

The Company realizes the importance of telephone system, and has protection measures for telephone system failure as follows:

- (1) Arrangement for sufficient number of telephone lines to serve for maximum inbound calls of 1,500 calls per hour.
- (2) Rental arrangement with True Move Co., Ltd., for the "Call Center Solution" for inbound call center. Important services receiving from this solution are; arrangement of incoming customer calls and distribution to operators as the system will select suitable routes for incoming calls, automatic voice mail, showing selected customers' data on computer screen, maintenance services through the remote maintenance method, suggestion on problem solving solution, etc. Moreover, the Company also utilizes telephone systems from TOT Public Company Limited, and the mobile telephone system, if telephone system of one network fails, the Company will be able to switch to another working network as replacement immediately.
- (3) Introduce managing system for telephone system to cope with large number of incoming calls.
- (4) Arrangement for the battery backup system to be able to operate for 8 hours in case of electrical outage.

### 3. Copyright infringement on trademark / service mark

The Company distributes its products under the service mark “TV Direct”  and distributes its products through retail branches under the service mark “TV Direct Showcase”, then; it has the risk on trademark and service mark infringement.

#### Risk management of the Company

The Company has already registered its trademark and service marks as follows:

- (1) The Company has registered its service mark “TV Direct”, for the services on combination of variety of products to facilitate on product selection with the Department of Intellectual Property. This registration has duration of 10 years commencing from October 28, 2008 to October 27, 2018, and can be extended in every 10 years.
- (2) The Company has registered the service mark on its retail business with the Department of Intellectual Property as “TV Direct Showcase” for the combination of variety of products to facilitate on product selection. This registration has duration of 10 years commencing from September 21, 2010 to September 20, 2020, and can be extended in every 10 years.

Moreover, the Company has the policy in closely monitoring on trademark or trade service infringement, and if that occurs, the Company will pursue with legal case.

### 4. Maintaining the market share

The Company conducts its products distribution and services through the multichannel marketing as revenue from the Company and its affiliated companies at 70% of sales and services coming from sales and services revenue through distribution channels of television and direct marketing. Overall competitive situation in the direct marketing channel shows higher trend from local and foreign competitors, hence, risk from competition with other operators in the same business still exists.

#### Risk management of the Company

From 17 years’ experience in the direct marketing business, the Company and its executives have overall understanding of the market, and can correctly estimate market demand and service requirement of consumers. Hence, products and services can then be acquired in correspondence with various groups of consumers with variety of requirements. At present, the Company has over 2,000 products for distribution including many distribution channels to present its products and services, whether in the form of; product sales and services through normal television channels, through satellite television channels, cable television, outbound call center, printed media in the form of catalogues, direct mail, leaflets, E-commerce, etc. As the Company operates through retail branches i.e. “TV Direct Showcase”, and also local and foreign wholesale trade, its revenue sources derive from many channels and not depending only from direct sales.

Moreover, technology for supporting the Company's business operations has been invested such as telephone, electrical, and computer systems. Computer program for data storage and data processing for customers' data of about more than 3 million cases has been procured in order to build customers' relation and suitable products and services presentation to customers with maximum efficiency. The Company also realizes the importance on the advertising media production for products and services introduction by having its own production studio for producing media program. The Company stresses the importance on inventory management, and has developed its product delivery to customers within a short period. Hence, the Company is confident with its readiness, and experiences in business operations, and enough ability to compete which shows an increasing trend in the future.

## **5. Complying with law and important regulations from the regulatory agencies**

Business operations of the Company have to comply with the law and important regulations from the regulatory agencies such as the Direct Sales and Direct Marketing Act, Consumer Protection Act, etc. Important regulatory agencies concerning with the Company are the Ministry of Commerce, Ministry of Public Health, Food and Drug Administration, Office of the Consumer Protection Board, and the National Broadcasting and Telecommunication Commission, etc. The Company has important risks in complying with law and important regulations from the regulatory agencies as follows:

### **5.1 Products and services' advertising that do not comply with regulations from the regulatory agencies**

The Company that introduces advertising and promotions media for products and services during its business operations encounters prosecution risks from consumers or regulatory agencies if its media's message on the products and services are not comply with laws on consumer protection in the section concerning consumer advertising. Some of the examples are; products and services with false or exaggerated fact, message that creates misunderstanding on important issue on products and services, using direct or indirect supporting message to break the law or moral, or national culture, etc. If any of the Company's advertising has broken or not in accordance with regulations of the regulatory agencies, it might have impact towards business operations of the Company, as the Company may be fined, or the Company's directors may face imprisonment term or fine or both, and this might reflect negative impact towards business operations of the Company.

### **Risk management of the Company**

The Company realizes this risk, and has the policy to strictly comply with regulations from regulatory agencies on advertising. Advertising samples will be delivered to the regulatory agencies prior to airing time and the advertising media production unit which is under the product and marketing unit will be assigned to coordinate with concerned agencies.

## 5.2 Changing of law concerning privacy protection policy

The Company has policy in collecting personal information by gathering customers' information, and presents its sales of products and services through the Company's data base. At present, infringement on personal information occurs by using private information without consent from owners for operators' own benefits, thus, causing annoyances or damages to owners. This causes the Government to consider introducing law on privacy protection. The privacy protection policy act is still under the legislation process as this legislation draft will control the use of personal information on the business and commercial operations, and must be given consent from owners prior to usage. Hence, if this legislation comes into effect, the resulting impact may affect the Company operations.

### Risk management of the Company

The Company is continuously monitoring progress of this legislation, and has the policy to comply with laws, requirements, and regulations concerning business operations of the Company. Additionally, the Company's privacy protection policy is listed below:

- (1) All customers will be informed for permission to use their information for future contacts.
- (2) The Company has policy on the number of contacts for each customer per month.
- (3) If any customers require no response from the Company, the Company will strictly comply with the customers' wishes.

## 5.3 Risks from the Act on Broadcasting and Telecommunications Services

From the result of the Government's media reform, the broadcasting frequencies and sequential order of television channels have been rearranged. Business operations require license and license fee while direct and indirect revenues from advertisement have to be sent to the fund annually.

### Risk management of the Company

The Company is prepared to accommodate such changes by setting up a working group to follow up and preparing to work on various details to plan its business to be in accordance with the regulations with the most efficient way.

## **6. In relation to increasing number of channels in the television industry, new business operators may not have enough operating standards concerning knowledge, and understanding in producing programs, and in taking care of consumers.**

Concerning the Government policy in replacing analogue with the digital television system by having 24 commercial channels, and with not less than 70 channels of monthly subscription television type, and not less than 270 networks of local cable television networks; thus, increasing quantity of media outlets but at the same time, the advertising budget has not increased that much. Therefore, selling of the advertising air-time will be difficult when advertising air-time has increased enormously. Moreover, consumer's trend in buying product through television with more confident opens opportunity for new operators coming more into this type of business.

Product distribution through television media, on the surface, seems non-complicated as it is only finding the product, making advertise media, broadcasting it, receiving order, deliver and collecting payment from customer. However, in fact, details in business operations are full of knowledge and ethics as television coverage is wide spreading and easily reach consumers. Producing the product demonstration program, and creating the advertising media to sell product through television have to be under at least 8 laws and regulations in order to create fairness to consumers. Hence, with more operators, the opportunity may arise that operators may not fully understand their roles in selling products through television. This may result in over claim, or create misunderstanding and may result in consumer losing confidence, as this has already happened.

### **Risk management**

The Company, in coordination with the “24-Hour Home Shopping Channel”, and “Infomercial and Direct Response Television”, has established the “TV Home Shopping Association of Thailand” in order to create service agreement with the same standard, and create the “Code of Conduct” as standard ethics in taking care of the operations and consumers.

The association role has been stipulated as a coordinator, and creating understanding with Government agencies such as the National Broadcasting and Telecommunications Commission (NBTC), Office of the Consumer Protection Board (OCPB), etc., in order to create the regulatory framework that leads to supervision and standardization of business on selling products on television.



## Shareholding Structure and Management





## Shareholding Structure and Management

### Capital Structure

As at December 31, 2016, the Company had registered capital of Baht 341,250,035 which could be separated as ordinary shares of 682,500,070 shares at par value of 0.50 Baht per share, and the paid up capital of Baht 325,146,675 which consisted of the ordinary share of 650,293,350 shares at par value of 0.50 Baht per share.

### Shareholders

List of the first 10 major shareholders can be summarized as below :

| No. | Name                                   | No. of Shares | %      |
|-----|----------------------------------------|---------------|--------|
| 1   | TRI-STAGE INC <sup>1</sup>             | 97,690,000    | 15.02% |
| 2   | Mr. Songpol Shanmatkit                 | 55,218,374    | 8.49%  |
| 3   | USE Electronics Co., Ltd. <sup>2</sup> | 52,246,317    | 8.03%  |
| 4   | FUJI MEDIA HOLDINGS, INC. <sup>3</sup> | 15,794,997    | 2.43%  |
| 5   | ITOCHU CORPORATION <sup>4</sup>        | 15,794,997    | 2.43%  |
| 6   | Mr. Boonchou Wirojwattanakun           | 13,449,303    | 2.07%  |
| 7   | Thai NVDR Company Limited              | 12,679,855    | 1.95%  |
| 8   | Mr. Prayuth Ueawattana                 | 12,352,100    | 1.90%  |
| 9   | Mr. Thanabul Maturanont                | 12,271,600    | 1.89%  |
| 10  | Miss Issara Vitayathanakorn            | 11,441,930    | 1.76%  |

Remark <sup>1</sup> Shareholders of TRI-STAGE INC

| Name                                                | Number of shares | Shareholding ratio |
|-----------------------------------------------------|------------------|--------------------|
| Akio Maruta                                         | 1,643,100        | 21.55%             |
| Sojitz Corporation                                  | 1,445,600        | 18.96%             |
| Isao Senoo                                          | 1,068,100        | 14.01%             |
| Kyohei Nakamura                                     | 520,000          | 6.82%              |
| Tri-Stage Inc.                                      | 394,063          | 5.16%              |
| PROSPECT JAPAN FUND LIMITED                         | 387,300          | 5.08%              |
| Japan Trustee Services Bank,Limited.(Trust Account) | 227,200          | 2.98%              |
| Makoto Kosugi                                       | 192,800          | 2.52%              |
| Groval Brain Corporation                            | 31,900           | 0.41%              |
| Aya Imaizumi                                        | 27,700           | 0.36%              |

Remark <sup>2</sup> Shareholders of USE Electronics Co., Ltd.

| USE ELECTRONICS CO., LTD. |                 |                                                                                               |                  |              |
|---------------------------|-----------------|-----------------------------------------------------------------------------------------------|------------------|--------------|
| ROSTER OF SHAREHOLDERS    |                 |                                                                                               |                  |              |
| No.                       | Name            | Address                                                                                       | Number of shares | Stock (NT\$) |
| 1                         | TANG,FENG-RONG  | 5F, No. 14, Lane 77, Deguang Rd., Zhonghe City, Taipei County, Taiwan, R.O.C.                 | 910,200          | 9,102,000    |
| 2                         | KATO JUNICHI    | 3F, No. 10, Yitong St., Zhongshan Dist., Taipei City, Taiwan, R.O.C.                          | 3,034,000        | 30,340,000   |
| 3                         | KATO SACHIKO    | 3F, No. 10, Yitong St., Zhongshan Dist., Taipei City, Taiwan, R.O.C.                          | 971,000          | 9,710,000    |
| 4                         | SU,CHING-TSUN   | 5F, No. 11, Alley 16, Lane 199, Duzhai N. Rd., Songshan Dist., Taipei City, Taiwan, R.O.C.    | 544,100          | 5,441,000    |
| 5                         | CHOU,RONG-KUANG | No. 78, Lane 14, Sec. 7, Zhongshan N. Rd., Shilin Dist., Taipei City, Taiwan, R.O.C.          | 151,700          | 1,517,000    |
| 6                         | HISU,CHEN-MAO   | 6F, No. 28, Lane 80, Guanglu N. Rd., Songshan Dist., Taipei City, Taiwan, R.O.C.              | 758,600          | 7,586,000    |
| 7                         | SU,BO-HAN       | 2F-1, No. 25, Lane 101, Sec. 2, Xirsheng N. Rd., Zhongshan Dist., Taipei City, Taiwan, R.O.C. | 244,800          | 2,448,000    |
|                           | TOTAL           |                                                                                               | 6,614,400        | 66,144,000   |

Remark <sup>3</sup>Shareholders of FUJI MEDIA HOLDINGS,INC.

| Name                                | Equities   | %     |
|-------------------------------------|------------|-------|
| Toho Co., Ltd. (9602)               | 18,572,100 | 7.86% |
| Marathon Asset Management LLP       | 17,370,600 | 7.35% |
| Asset Management One Co., Ltd.      | 7,973,700  | 3.37% |
| Nippon Cultural Broadcasting, Inc.  | 7,792,000  | 3.30% |
| NTT DoCoMo, Inc.                    | 7,700,000  | 3.26% |
| Kansai Telecasting Corp.            | 6,146,100  | 2.60% |
| Dentsu Pension Fund                 | 4,650,000  | 1.97% |
| Schroder Investment Management Ltd. | 4,210,800  | 1.78% |
| Yakult Honsha Co., Ltd.             | 3,969,000  | 1.68% |
| Morant Wright Management Ltd.       | 3,745,000  | 1.58% |

Remark <sup>4</sup>Shareholders of ITOCHU CROPORATION

**As of September 30, 2016**

| Name                                                | Number of<br>shares held<br>(1,000 shares) | Share holding<br>ratio<br>(%) |
|-----------------------------------------------------|--------------------------------------------|-------------------------------|
| Japan Trustee Services Bank, Ltd.(trust account)    | 89,470                                     | 5.38%                         |
| The Master Trust Bank of Japan, Ltd.(trust account) | 81,430                                     | 4.90%                         |
| CP WORLDWIDE INVESTMENT COMPANY LIMITED             | 63,500                                     | 3.82%                         |
| Mizuho Bank, Ltd.                                   | 39,200                                     | 2.36%                         |
| Nippon Life Insurance Company                       | 34,056                                     | 2.05%                         |
| Mitsui Sumitomo Insurance Company, Limited          | 30,400                                     | 1.83%                         |
| Sompo Japan Nipponkoa Insurance Inc.                | 26,336                                     | 1.58%                         |
| Asahi Mutual Life Insurance Company                 | 23,400                                     | 1.41%                         |
| THE BANK OF NEW YORK MELLON SA/NV 10                | 22,421                                     | 1.35%                         |
| Japan Trustee Services Bank, Ltd.(trust account9)   | 21,397                                     | 1.29%                         |

Note: Our treasury stock of 81,244 thousand shares (4.89%) has been excluded from the above list.

## Partner Profile

### 1. TRI-STAGE INC.



Name : Tri-Stage Inc.

Address : Shiodome Building 21F 1-2-20 Kaigan, Minato-ku, Tokyo 105-0022, Japan  
TEL +81-3-5402-4111 FAX +81-3-5402-4115

Business : Support services for direct marketing

Kansai Branch : Manulife Place Dojima 6F, 1-4-19, Dojimahama, Kita-ku, Osaka 530-0004, Japan  
TEL +81-6-6455-1800 FAX +81-6-6455-1805

URL : <http://www.tri-stage.jp/en/>

Established : March 3, 2006

Capital : 644 million yen

Number of Employees : 222 (consolidated), 160 (nonconsolidated)

Corporate Philosophy : Tri-Stage contributes to society by overcoming challenges to help our clients form bonds with consumers by promoting their fine products and services.

The Tri-Stage Credo : The consumer's satisfaction is the client's satisfaction, and ours.

Company History : March 2006 Tri-Stage Inc. established in Minato-ku, Tokyo  
August 2008 Stock listed on Tokyo Stock Exchange Mothers  
November 2012 Mail Customer Center Co., Ltd. made subsidiary



## 2. USE Electronics Co., Ltd.

### Corporate Information

USE Electronics Company Limited was founded by Junichi Kato, a Japanese citizen, who started his business in Taipei, Taiwan, back in April 1975. The business has grown over the 40 years of its history. The business is not limited to the domestic market and the company is actively engaged in a broad range of business operations in such fields as electronic components, mechanical products, electronic facilities, inspection facilities, electronic materials, glass machines and materials, energy and environmental conservation, alcoholic beverages and food products, as well as logistics and distribution, as a general trading company engaged in development, exports and imports of products between Japan and Asian countries.



|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name           | : USE Electronics Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Establishment date     | : April 1975                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Representative Officer | : Junichi Kato                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Capital                | : NT\$66,144,000 (US\$ 2,203,700/Current as of July 2012)                                                                                                                                                                                                                                                                                                                                                                                                              |
| Annual Turnover        | : US\$170 million (FY2011)                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Number of Employees    | : 321 persons (Current as of June 2012)                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Head Office            | : 20th Floor, No. 85, Section 1, Chung Hsiao East Road, Taipei                                                                                                                                                                                                                                                                                                                                                                                                         |
| Business Lines         | : The company is engaged in a broad range of business operations taking place domestically, through exports and imports, as well as transactions occurring between Asian countries, in such fields as electronic components, mechanical products, electronic facilities, inspection facilities, electronic materials, glass machines and materials, energy and environment conservation, alcoholic beverages and food products, as well as logistics and distribution. |

Principal Correspondent Banks : Hua Nan Bank Hsinsheng Branch First Commercial Bank Zhongxiao East Road Branch



### 3. FUJI MEDIA HOLDINGS, INC.

#### Corporate Information

|                                             |                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name                                | : Fuji Media Holdings, Inc.                                                                                                                                                                                                                                                                                                                                   |
| Business                                    | : A certified broadcast holding company                                                                                                                                                                                                                                                                                                                       |
| Incorporated                                | : November 18, 1957 Fuji Media Holdings, Inc. was established following the adoption of a certified broadcast holding company structure on October 1, 2008. Fuji Television Network, Inc. changed its corporate name to Fuji Media Holdings, and transferred its business operations to a newly established company also called Fuji Television Network, Inc. |
| Capital                                     | : ¥146,200 million                                                                                                                                                                                                                                                                                                                                            |
| Head Office                                 | : 2 - 4 - 8, Daiba, Minato-ku, Tokyo 137 - 8088, Japan<br>TEL +81-3-3570-8000 (Switchboard)                                                                                                                                                                                                                                                                   |
| Representatives                             | : Hisashi Hieda, Chairman and Chief Executive Officer Shuji Kanoh, President and Chief Operating Officer                                                                                                                                                                                                                                                      |
| Number of Employees<br>(Consolidated basis) | : 8,073 (As of September 30, 2016)                                                                                                                                                                                                                                                                                                                            |
| Consolidated Net Sales                      | : ¥640,572 million (Year ended March 31, 2016)                                                                                                                                                                                                                                                                                                                |

#### 4. ITOCHU Corporation

|                     |                                                                                                                                                                                                                                                                                                                  |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name        | : ITOCHU Corporation                                                                                                                                                                                                                                                                                             |
| Founded             | : 1858                                                                                                                                                                                                                                                                                                           |
| Incorporated        | : December 1, 1949                                                                                                                                                                                                                                                                                               |
| Representative      | : Masahiro Okafuji, President and Chief Executive Officer                                                                                                                                                                                                                                                        |
| Tokyo Headquarters  | : 5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo 107-8077, Japan<br>TEL 03-3497-2121                                                                                                                                                                                                                                 |
| Osaka Headquarters  | : 1-3, Umeda 3-chome, Kita-ku, Osaka, 530-8448, Japan<br>TEL 06-7638-2121                                                                                                                                                                                                                                        |
| Common Stock        | : 253,448 million yen                                                                                                                                                                                                                                                                                            |
| Number of Employees | : 4,370                                                                                                                                                                                                                                                                                                          |
| Main Business       | : ITOCHU is involved in domestic trading, import/export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, and finance, as well as business investment in Japan and overseas. |
| Stock Listings      | : Tokyo                                                                                                                                                                                                                                                                                                          |
| Website             | : <a href="http://www.itochu.co.jp/">http://www.itochu.co.jp/</a>                                                                                                                                                                                                                                                |



**Committed to the Global Good**



The ITOCHU group respects the individual, society, and the future in its Commitment to the Global Good.



## Other Securities

### Warrants for purchasing ordinary shares

#### Warrants to purchase ordinary shares No.1 (TVD-W1)

On 15 July 2013, the Company issued warrants to purchase the Company's ordinary shares offering to the existing shareholders. The details are as follows:

|                            |   |                                                                                                                                                                        |
|----------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type of warrants           | : | Issued in the names of respective holder and negotiable                                                                                                                |
| Term of warrants           | : | 3 years from the issuing date                                                                                                                                          |
| Number of warrants offered | : | 23,500,000 units                                                                                                                                                       |
| Number of warrants issued  | : | 23,499,780 units                                                                                                                                                       |
| Offering price             | : | Baht 0 per unit                                                                                                                                                        |
| Exercise ratio             | : | 1 warrant per 1 ordinary share (which will be changeable)                                                                                                              |
| Exercise price             | : | Baht 3.50 per share (which will be changeable)                                                                                                                         |
| Exercise date              | : | On the last business day of June and December of each year, throughout the term of the warrants and the first exercise date is the last business day of December 2013. |
| The last exercise date     | : | 14 July 2016                                                                                                                                                           |

During the year 2016, the warrants holders exercised their warrants following with exercise ration at 1 warrant per 1.41 ordinary share and exercise price at Baht 2.482 per share, totaling 304,907 ordinary shares, totaling paid-up capital of Baht 756,779 (Note 27). The Company registered the increase in paid-up share capital with Ministry of Commerce on 27 July 2016.

As at 31 December 2016, there is no outstanding balance of unexercised warrants to purchase ordinary shares No. 1 (TVD-W1) as due to its expiration of exercise date (2015 : outstanding balance of unexercised warrants to purchase ordinary share No. 1 (TVD-W1) is 23,499,468 units).

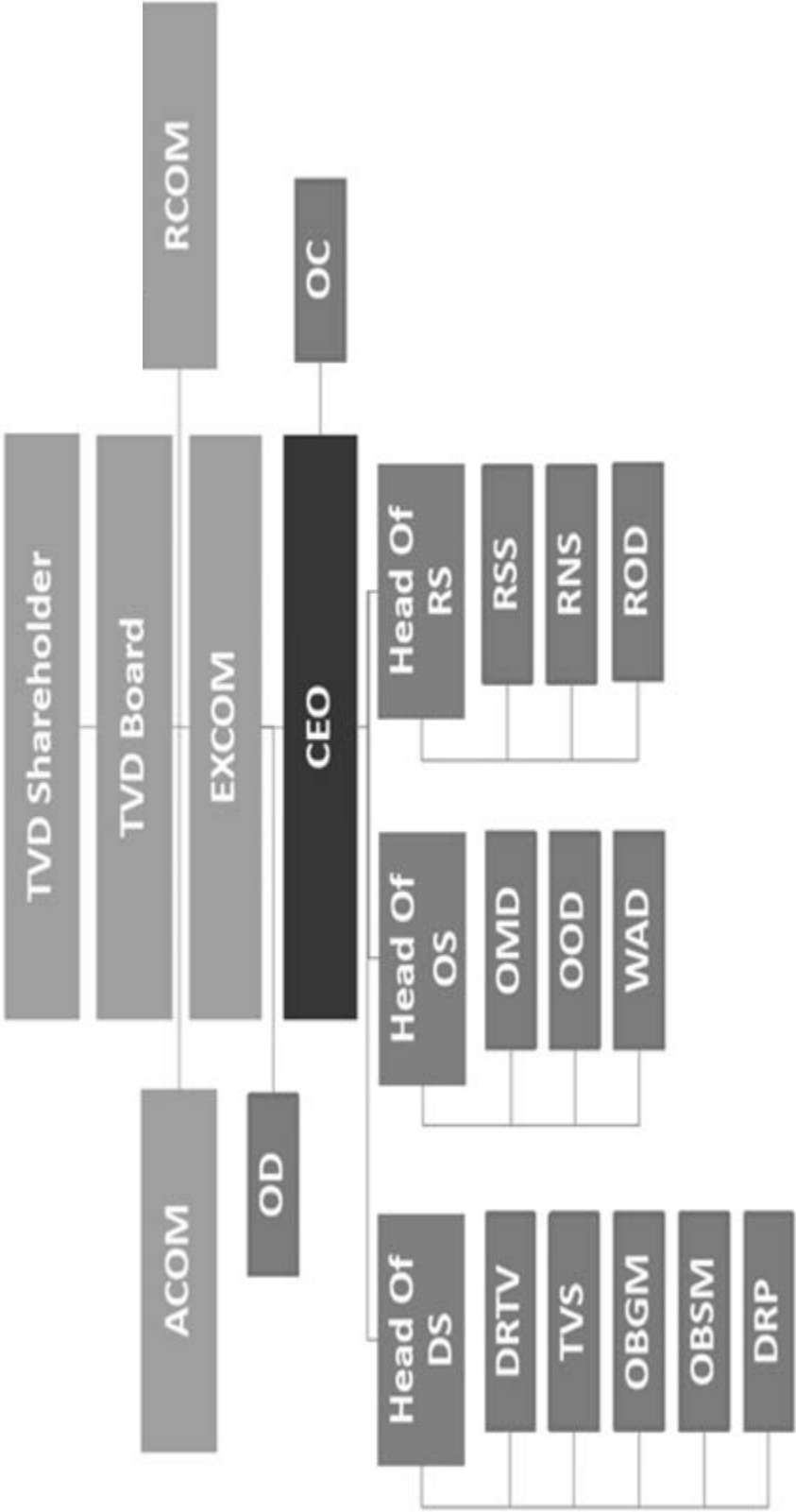
### Dividend payment policy

The Company has dividend payment policy of not less than 55% of net profit after tax in the financial statement and after deduction for various reserves. The dividend payment will be considered from various factors concerning business operations of the Company such as financial situation, operating result, cash flow, investment plan, and various necessities in future which has to receive approval from the Company's Board of Directors and/or shareholders.

The subsidiary companies have dividend payment policy of not less than 55% of net profit after tax in the financial statement and after deduction for various reserves. The dividend payment will be considered from various factors concerning business operations of the Company such as financial situation, operating result, cash flow, investment plan, and various necessities in future which has to receive approval from the Company's Board of Directors and/or shareholders.

Management

Organization Structure (as at December 31, 2016)



Remark : The Company use Business Support service ex. Accountins Finance, Manasement Information System (MIS) Human Resource (HR) and General Administration (GA) from TVD services Co.,Ltd. , a 100% Subsidiary of the Company

## Management Structure

The Company has 4 sets of committees on planning and regulating policies which consist of the Board of Directors, Audit Committee, Executive Committee, and Nomination and Remuneration Committee with the following details:

### Board of Directors

As at December 31, 2016, The Board of Directors consists of the following 9 qualified persons:

| Name                               | Position                                                           |
|------------------------------------|--------------------------------------------------------------------|
| 1. Mr. Tada Charukitpaisarn        | Chairman, Independent Director and Chairman of the Audit Committee |
| 2. Mr. Songpol Shanmatkit          | Director                                                           |
| 3. Mr. Thanabul Maturanont         | Director                                                           |
| 4. Mr. Wirasack Wirojwattanakul    | Director                                                           |
| 5. Dr. Pisut Chalakovnkul          | Director                                                           |
| 6. Mr. Chalermpong Mahavanidvong   | Director                                                           |
| 7. Mr. Yutaro Suzuki               | Director                                                           |
| 8. Asst. Prof. Anucha Chintakanond | Independent Director and Audit Committee                           |
| 9. Mr. Suthep Subsantiwong         | Independent Director and Audit Committee                           |

Mr. Wichian Manapongpun is the Company Secretary

Then, various shareholding groups have sent their representatives as the Company's Directors as follows:

- 1) Director who represents shareholders of Shanmatkit group is Mr. Songpol Shanmatkit.
- 2) Director who represents shareholders of Maturanont group is Mr. Thanabul Maturanont.
- 3) Director who represents shareholders of USE Electronics is Mr. Wirasack Wirojwattanakul.
- 4) Director who represents shareholders Mr. Lai Chien-Kuo is Mr. Chalermpong Mahavanidvong.

## Definition of Independent Directors of the Company

Independent Director means external Director who does not have any executive position or as employee of the Company, does not hold position of Executive Director or Director with binding signature with the Company, and is independent from major shareholders, Executive, and related person. Independent Director has duty to protect benefit of all shareholders equally, and protect any conflict of interest that might occur between the Company and related person by having the following qualifications:

- 1) Holding shares of not over 0.5% of total shares with voting rights of the Company, subsidiaries, joint venture companies, or juristic persons that may have conflict of interest, and including shares holding of related person\*
- 2) Not holding position of Director with joint management\*\* / employee / adviser with monthly payment / person with authorization power in controlling the Company, joint venture companies, subsidiaries of the same category\*\*\*, or juristic person with may have conflict of interest at present and during 2 years prior to appointment.
- 3) Not having blood relationship or by registration in the forms of father, mother, spouse, brother sister and child including relationship by marriage of the offspring with executive, major shareholders, person with controlling power, or person who will be nominated as executive or person with authorization power of the Company or subsidiaries.
- 4) Business relationship with the Company that can be categorized as follows:
  - a) Type of relationship
    - Relationship from professional services
      - Relationship type: auditor, other professional services such as lawyer, financial adviser, property appraiser, etc.
      - Important case of non-independent
      - auditor-forbidden in all cases
      - other professional service: amount over Baht 2 million per year
    - Relationship through trade / business (same guideline as per regulation on related transaction of the stock market)
      - Relationship type: covering all type of business such as item with normal transaction, renting, renter of real estate, item related to asset / service and item in giving or receiving financial assistant.
      - Important case of non-independent: value at over or equal to Baht 20 million, or over or equal 3% of NTA of the Company depending on which case is lower; consideration on the value includes any item during 6 months prior to recording the item.
  - b) In case of relationship in a) with the juristic person: person to be considered as non-independent are such as major shareholder, Director (exclude in the case of Independent / Auditing Committee member), and Executive or partner of that particular juristic person.
  - c) Period that is forbidden on relationship as in a) and b): present and 2 years before appointment date.
  - d) Exception: In case of necessary and appropriate that would not happen constantly and continuously: Independent Committee member / Auditing member may have relationship more than specified points during their membership duration but must be given prior approval from the Board of Directors, and resolution must be unanimous. Moreover, the Companys Board of Directors must disclose the relationship of such Director within the offering filling form in the annual 56-1 form, and also in the annual report 56-2 form. Later on if the Company want to propose the Independent / Audit Committee member for another term, the Company's Board of Directors must disclose the information concerning the relationship in the notice of meeting of shareholders during the election as well.

5) The appointed Director must not be the Director appointed as representative of the Company's Board of Directors, major shareholders, or shareholders with related relationship with major shareholders.

6) Not having any other nature that cannot give independent opinion.

7) Independent Director with qualifications in 1) to 6) may be given assignment from the Board of Directors in making decisions for business operations of the Company, subsidiaries, joint venture companies, subsidiaries of the same level, or juristic persons that may have conflict of interest in the collective decision

In case that the Independent Director hold the position of Independent Director in the Company, subsidiaries, and subsidiaries of the same level, the Board of Directors has to disclose information on this point, including remuneration received by the Independent Director in the filling form 56-1, and 56-2 as well.

\* Related person means person as in section 258 of the Securities and Exchange Act

\*\* Director with joint management means Director who holds Executive position, Director who is responsible as an Executive and Director with binding signatory signature except the binding signature is done after authorization from the Board of Directors, and as the counter signing with other Directors.

\*\*\* Subsidiaries of the same level mean more than 2 subsidiaries that have the same major company.

Hence, definition of the Company's Independent Director is more strict than the least definition of the Securities and Exchange Commission Office (SEC) as SEC specifies qualification of the Independent Director of not holding shares of not over 1% of all shares with voting rights of the Company, subsidiaries, or related companies, and including shareholding by related person.

## Authorized signatory directors

Mr. Songpol Shanmatkit, Mr. Thanabul Maturanont, Mr. Pisut Chalakornkul, Mr. Wirasack Wirojwattanakul are the authorized signatory Directors that requires 2 of the 4 signatures with the Company's seal.

## Scope of duties and responsibilities of the Company's Board of Directors

The annual ordinary meeting of shareholders held on April 19, 2011 had the resolution to determine the scope, duties, and responsibilities of the Company's Board of Directors as follows:

1. Consideration on proposal, advice, and short term and long term business operations strategy, and important investment of the Company that the Executive Committee ask for comment and approval.
2. Consideration on proposal of project, and plan on other important matters relating to operations of the Company that the Executive Committee asks for comment and approval.
3. Consideration on operating budget, annual financial budget, and other budgets other than the annual budget that the Executive Committee asks for comment and approval.
4. Consideration on selection and appointment of the Executive Committee, Chairman of the Executive Committee, and the Managing Director / Chief Executive Officer in order to manage and operate business operations of the Company.
5. Follow up and acknowledge on operating results and supervision on business operations of the Company from the Executive Committee consistently.
6. Consideration on minutes of the meeting according to the law, including consideration on proposal from the Executive Committee on the Company's dividend payment for approval in the shareholders meeting.
7. The Company's Board of Directors may authorize one or more Director, or other person to act on their behalf. Then, this authorization of power will not include the authorization, or part of authorization that authorizes Director or receiver of authorization to approve item that may have conflict of interest, stakeholder conflict, or may have other types of any beneficial conflict with the Company or its subsidiaries. Exception will be made for normal business transaction and under general trading conditions as specified by the Board of Directors on the authority, and/or financial limit. These will be under the regulations and conditions, and procedures as stipulated in the related transaction and for acquired item by receiving or by distributing of important asset under registered company under regulations of the Stock Exchange of Thailand, announcement from Office of the Securities and Exchange Commission, and announcement of the Capital Market Supervisory Board.

Hence, scope of duties and responsibilities of the Company's Board of Directors must be under regulations of laws and regulations of the Company and other related agencies such as the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. Directors or persons that may have conflict of interest, stakeholder conflict, or may have any other types of any beneficial conflict with the Company or its subsidiaries will not have the right to vote on the issue.

## Audit Committee

As at December 31, 2016, the Company's Audit Committee consists of 3 independent members as follows :

| Name                                            | Position                    | Duration in Position (Year) |
|-------------------------------------------------|-----------------------------|-----------------------------|
| 1. Mr. Tada Charukitpaisarn                     | Chairman of Audit Committee | 2                           |
| 2. Asst. Prof. Anucha Chintakanond <sup>1</sup> | Audit Committee Member      | 2                           |
| 3. Mr. Suthep Subsantiwong                      | Audit Committee Member      | 2                           |

Remark : <sup>1</sup> Director with knowledge in accounting and finance, with experience in reviewing on reliability of financial statement.

Mr. Wichian Manapongpan is the Secretary of the Audit Committee

## Scope of duties and responsibilities of the Audit Committee

The Board of Directors Meeting No.12/2017 held on December 15, 2016, had the resolution to approve scope of duties and responsibilities of the Audit Committee as follows:

1. Review that the Company's financial reports are correct and appropriate.
2. Review that the Company internal control and internal audit are suitable, and efficient, and consider on the independence of internal audit unit as well as consideration on the appointment, transfer, dismissal of the internal auditor head, or any other head that is responsible on internal auditing.
3. Review that the Company complies with laws concerning securities and stock market, regulations of the Stock Exchange of Thailand, and laws concerning business operations of the Company.
4. Consider, select, and propose to appoint independent person for the Company's auditor with remuneration, and include attending meeting with auditor without the present of management at least once a year.
5. Consider on related transaction, or item that may have conflict of interest to be in accordance with laws and regulations of the stock market in order to make sure that the transaction is reasonable with maximum benefit to the Company.
6. Prepare the Audit Committee Report for disclosure in the Company's annual report which has to be signed by Chairman of the Audit Committee, and consisting with at least the following information:
  - a) Comment on the correct, complete, and reliable financial statements of the Company.
  - b) Comment on the sufficiency of internal control system of the Company.
  - c) Comment on complying with laws concerning securities and the stock market, regulations of the stock market, or laws relating to business operations of the Company.
  - d) Comment on the suitability of the auditor.
  - e) Comment on transaction that may have conflict of interest.
  - f) Number of the Audit Committee meeting and including names of each committee members.
  - g) Suggestion or remark from the Audit Committee as a whole on performing duties in accordance with the charter.
  - h) Other subject that shareholders and other general investors should be informed under the scope of duties and responsibilities as assigned by the Board of Directors
7. Review of anti-corruption measures on regular basis.
8. Other operations as deemed necessary from the Board of Directors with consent from the Audit Committee.



## Executive Committee

As at December 31, 2016, the Company's Board of Directors consists of 5 knowledgeable persons as follows :

| Name                            | Position                        |
|---------------------------------|---------------------------------|
| 1. Dr. Pisut Chalakornkul       | Chairman of Executive Committee |
| 2. Mr. Songpol Shanmatkit       | Executive Committee Member      |
| 3. Mr. Thanabul Maturanont      | Executive Committee Member      |
| 4. Mr. Wichian Manapongpan      | Executive Committee Member      |
| 5. Mr. Wirasack Wirojwattanakul | Executive Committee Member      |

## Scope of duties and responsibilities of the Executive Committee

In the Board of Directors meeting no. 9/2015 on April 24, 2015, in which there were 3 Independent Director and Audit Committee Directors joining in the meeting, to consider the scope of duties and responsibilities of the Executive Committee as follows :

1. Business Plan: Policy establishment, short and long term business plans, budget, management structure of the Company, and decision making on important investment project of the Company for proposal to the Board of Directors for consideration on the approval or agreement decision.

2. Scrutinizing works prior to presentation to the Board of Directors: To screen all works that will be presented to the Board of Directors of TV Direct PLC, except works under responsibilities of / or under other sub-committee of the Company that has to screen for presentation directly to the Company's Board of Directors.

3. Review, supervise, and follow up on the management

3.1 Stipulation on rules, working system, and regulations on business operations of the Company to be in accordance with business strategy, economic situation, and present to the Board of Directors for decision.

3.2 Responsible on the supervision of normal business operation, and in accordance with business plan that has been approved by the Board of Directors, and its subsidiaries.

3.3. Check and follow up on the operating results of the Company and its subsidiaries with management team in accordance with policy and approved business operating plan that has been approved by the Board of Directors constantly.

4. Approval Authorization

4.1. Consider on the stipulation of approval authority only within internal function of important working units of the Company to present for approval from the Board of Directors.

4.2. Approve on expenses on various business activities within the budget that has been approved by the Board of Directors of the Company and its subsidiaries (details as per authorization on financial limit concerning daily operations).

5. Investment: To consider guideline, evaluate, alter, review, correct on investment, or proceed as per business plan of the TV Direct Public Company Limited, and its subsidiaries and make proposal for approval with the Board of Directors of each company.

6. Dividend: Consider on dividend payment from profit of the Company and present to the Board of Directors for approval.

7. Any other action as assigned by the Board of Directors.

Hence, authorization on the scope of duties and responsibilities of the Executive Committee must come under condition of laws, rules and regulations of the Company. This will not include the authorization, or part of authorization that authorizes the Executive Committee to approve item that may have conflict of interest, stakeholder conflict, or may have other types of any beneficial conflict with the Company or its subsidiaries. Exception will be made for normal business transaction and under general trading conditions as specified by the Board of Directors on the authority, and/or financial limit. These will be under the regulations and conditions, and procedures as stipulated in the related transaction and for acquired item by receiving or by distributing of important asset under registered company of the Company and its subsidiaries under regulations of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

## Nomination and Remuneration Committee

As at December 31, 2016, the Nomination and Remuneration Committee consists of 3 knowledgeable persons as follows :

| Name                      | Position                                          |
|---------------------------|---------------------------------------------------|
| 1. Mr. Phongsuree Bunnag  | Chairman of Nomination and Remuneration Committee |
| 2. Dr. Pisut Chalakornkul | Nomination and Remuneration Member                |
| 3. Mr. Songpol Shanmatkit | Nomination and Remuneration Member                |

The Human Resource Development Director is the Secretary of the Nomination and Remuneration Director.

## Scope of duties and responsibilities of the Nomination and Remuneration Committee

In the Company's Board of Directors meeting no.8/2554 in August 11, 2011, there were 2 members i.e. the Independent and Audit Committee Director attending the meeting. The meeting had considered the scope of duties and responsibilities of the Nomination and Remuneration as follows:

### 1. Nomination

a) Stipulation on rules and conditions for nomination of the Company's Director, and high level Executive of the Company (Deputy / Assistant Chief Operating Officer upward) and proposes to the Board of Directors for approval.

b) Nominate, select, and propose person with suitable qualification for the following positions :

- Director of the Company
- Director of the Company to be appointed as Director in Committee
- Deputy / Assistant Chief Operating Officer upward
- Expert for position as advisor of the Board of Directors

For approval by the Board of Directors of the Company

c) Oversee that the Committee has its size and members suitable for the scope of work, including adjustment for suitability with the changing environment. Various Committees have to consist of knowledgeable persons with suitable abilities and experiences.

d) Propose the remuneration of the Company's Board of Directors and other sub-Committees to the Company's Board of Directors for approval.

## 2. Remuneration

a) Stipulation on policy of the remuneration and other benefits including remuneration rate and other benefits to the Company's Directors and other high level Executive of the Company (Deputy / Assistant Chief Operating Officer upward). This also includes remuneration for Director, salary, subsidized payment, bonus and other related beneficial alternative, by having the clear and transparent regulations as proposal to the Company's Board of Directors for approval, and this policy has to be delivered to the Stock Exchange of Thailand if requested.

b) Oversee that the Company's Board of Directors and other high level Executive of the Company (Deputy / Assistant Chief Operating Officer upward) receive suitable remuneration rate with their duties and responsibilities comparing to other related business in similar industry.

c) Stipulate guidelines on performance's evaluation for Director and high level Executive of the Company (Deputy / Assistant Chief Operating Officer upward) for consideration on annual remuneration adjustment by contemplating on their responsibilities, related risks involved, and the importance of the long term value added shareholders' equity as their performances as well.

d) Stipulate, and review the policy and structure of the remuneration and employee's benefits of the Company to be in correspondence with the direct marketing business practice in similar labor market.

e) Consider and make proposal on the annual salary adjustment and bonus payment of employees as per performance of the Company to the Company's Board of Directors for approval.

f) Information disclosure on the policy and various compensations by listing on the stipulation / payment of remuneration with details relating to target and performance as well as suggestion of the Nomination and Remuneration Committee in the Company's annual report.

g) Any other action as assigned by the Board of Directors.

## Executives

As at December 31, 2016, the Company has 4 Executive members as follows :

| Name                       | Position                                                                                          |
|----------------------------|---------------------------------------------------------------------------------------------------|
| 1. Mr. Songpol Shanmatkit  | Chief Executive Officer / Acting Head of Online Shopping / Acting Head of Retail Shopping Channel |
| 2. Mr. Pongchai Shanmatkit | Head of Direct Shopping                                                                           |
| 3. Miss Laorsri Maturanont | Head of Merchandise Marketing                                                                     |
| 4. Mr. Wichian Manapongpan | Head of Finance and Accounting                                                                    |

## Scope of duties and responsibilities of the Chief Executive Officer

The Company's Board of Directors meeting no. 4/2011 in April 4, 2011, consists of 3 Independent and Audit Committee Directors and consideration on the scope and responsibilities of the Executive Committee is as follows :

1. Convey the strategic plan, business plan, and capital management plan, investment and budget that have received approval from the Company's Board of Directors to assign for action in the operational level.
2. Control, monitor, follow up, and evaluate results of the business operations of various units as in the Company's business plan.
3. Stipulate on regulations on team work among various units of the Company.
4. Regularly prepare the management report of the Committees in order to present to the Executive Directors for consideration.
5. Review the operational budget, the annual financial budget, and other budget apart from the annual financial budget (if any) and present to the Executive Committee for approval.
6. Consider proposal and operating plans from various units concerning the important business operations or on the organization improvement work, approval authority, or various working systems of important units in order to present to the Executive Committee for approval.
7. Any other action as assigned by the Board of Directors.

Hence, authorization on the scope of duties and responsibilities of the Chief Executive Officer must come under condition of laws, rules and regulations of the Company. This will not include the authorization, or part of authorization that authorizes the Chief Executive Officer to approve item that may have conflict of interest, stakeholder conflict, or may have other types of any beneficial conflict with the Company or its subsidiaries. Exception will be made for normal business transaction and under general trading conditions as specified by the Board of Directors on the authority, and/or financial limit. These will be under the regulations and conditions, and procedures as stipulated in the related transaction and for acquired item by receiving or by distributing of important asset under registered company of the Company and its subsidiaries under regulations of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

### Authorization of financial limit on daily business operations

In the Company's Board of Directors meeting no. 4/2011 in April 4, 2011, the Independent Director and Audit Committee Director with total of 3 persons attend the meeting to consider the authorization to the Company's Executives the authority on daily operations of the Company including authorization of financial limit on daily business operations. Summarization on important items is as follows:

|                                          | Purchasing of<br>Fixed Asset<br>(Baht) | Purchasing of<br>Inventory (Baht) | Product<br>Development<br>(Baht) | Advertising cost<br>(Baht) |
|------------------------------------------|----------------------------------------|-----------------------------------|----------------------------------|----------------------------|
| Executive Committee                      | <=10,000,000                           | > 5,000,000                       | > 5,000,000                      | > 5,000,000                |
| Chief Executive<br>(Chief Officer level) | <= 200,000                             | <= 5,000,000                      | <= 5,000,000                     | <= 5,000,000               |
| Director                                 | <= 50,000                              | <= 1,000,000                      | <= 500,000                       | <= 1,000,000               |

Hence, authorization on the above persons as in the above table will not include authorization to approve any item for the person or to person that may have conflict, stakeholder conflict, or any other beneficial conflict with the Company or its subsidiaries as stated in regulations of the Stock Exchange of Thailand. This kind of approval will have to be presented to the Board of Directors meeting and/or at the shareholders meeting for consideration and approval as in the Company's regulations or as specified by related laws.

## Nomination of Director and Executive

The Company has started the appointment of Nomination and Remuneration Committee in the Company's Board of Directors meeting no. 7/2011 in June 20, 2011. However, the present Directors have been appointed by the shareholders' meeting by considering from their knowledge, capabilities, and experiences relating to the business, and must be the qualified person that have not been forbidden by the Public Company Act B.E. 2535, and announcement from the Securities and Exchange Commission Office, and other related laws. Regulations for the appointment of the Company's Director in the shareholders' meeting are as follows :

The Company's Board of Directors consists of at least 5 Directors and with not less than half of Directors must reside in Thailand. The shareholders' meeting will select the Directors in accordance with regulations and following procedures:

- (1) Shareholder has number of vote in correspondence with the number of own share.
- (2) Each shareholder shall vote for a single or any number of Directors. In case of election of more than one Director, equal vote must be given to all Directors.
- (3) Persons who receive highest votes in sequence shall be elected as Directors equaling to the required Directors. In case that the last two persons have same number of votes which are surplus to requirement for that election, the Chairman shall cast the deciding vote.

In every annual ordinary shareholder's meeting, 1/3 of Directors has to vacate their positions. If the 1/3 number of Directors are not exactly divided, the nearest number shall be selected.

For Directors who shall vacate their positions in the 1st or 2nd year after the Company's registration date, drawing of lots shall decide the outcome, while Directors with more years in the positions, the longest serving Directors shall vacate their positions. Directors who vacate their positions shall be eligible for re-election.

Except vacating position of Director at the end of term, Director may vacate the position, in case of;

- (1) Death
- (2) Resignation
- (3) Lack qualification or forbidden by law concerning the Public Limited Companies Act, and/or laws on securities and stock exchange market.
- (4) The shareholders' meeting has resolution for the resignation
- (5) Resignation as per court order

## Nomination of the Audit Committee

On the nomination of the Audit Committee, the Audit Committee must have Independent Director of at least one third of all members, and not less than 3 persons with at least one Audit Committee member must have accounting and financial knowledge. The Audit Committee will have the following qualifications:

1. Owning shares of not over 1% of total shares with the right to vote of the Company, the main company, subsidiary companies, joint venture company, major shareholder, or person with controlling authority of the Company which includes shareholding of person related to that specific Independent Director.
2. Have never been or have been Director that participates in the management of business, employee, worker, advisor with permanent salary, or person with controlling authority of the Company, the main company, subsidiary companies, joint venture company, major shareholder, or person with controlling authority of the Company at the present time or during 2 year before being elected.
3. Must not be person with relationship through blood, or by legal registration in the form of father, mother, spouse, brother and sister, and offspring which includes marriage partner of offspring, Executive, major shareholder, person with authority, or person who has been offered as Executive or controlling authority in the Company or its subsidiaries.
4. Never have or had business relationship with the Company, the main company, subsidiary companies, joint venture company, major shareholder, or person with controlling authority of the Company in the characteristic that may interfere with own independent judgment. This also includes person has never been or has been some doubtful shareholder, or person with controlling authority of the Company, the main company, subsidiary companies, joint venture company, major shareholder, or person with controlling authority of the Company at the present time or during 2 year before being elected.

5. Never have or had been auditor of the Company, the main company, subsidiary companies, joint venture company, major shareholder, or person with controlling authority of the Company and had never been doubtful shareholder, and the controlling authority or partnership of the auditing office that employs the auditor of the Company, the main company, subsidiary companies, joint venture company, major shareholder, or person with controlling authority of the Company at the present time or during 2 year before being elected.

6. Never have or had been provider of any professional services including services on legal advice, or financial advisor who receives more than Baht 2 million of services fee from the Company, the main company, subsidiary companies, joint venture company, major shareholder, or person with controlling authority of the Company and has never been doubtful shareholder, or person with controlling authority or partnership in the professional services at present or during 2 years before being elected.

7. Person who has never been Director and has been appointed as representative of the Company's Director, major shareholder, or shareholder who is related with major shareholder of the Company.

8. Person who does not operates similar business and competes with the Company's business or its subsidiaries, or has been in doubtful partnership in the partnership company, or Director who participates in business operations, employee, officer, advisor with fixed salary, or holding more than 1% of all shares that have the right to vote in other company that operates similar business and compete with the Company and its subsidiaries.

9. Person with other characteristic behavior who may not be able to give independent suggestion on business operations of the Company.

## Remuneration for Director and Executive

### Financial remuneration

In the Annual General Meeting of Shareholders Year 2014, in March 28, 2014, the meeting resolution had approved remunerations for the Company's Board of Directors, and other Committee as follows:

#### (1) Meeting Allowance

| Board Name                            | Meeting allowance |          |                                                                  |
|---------------------------------------|-------------------|----------|------------------------------------------------------------------|
|                                       | Chairman          | Director | Directors who are Management of TV Direct Public Company Limited |
| Board of Directors                    | 20,000            | 10,000   | No Meeting allowance                                             |
| Audit Committee                       | 20,000            | 10,000   | No Meeting allowance                                             |
| Executive Committee                   | 20,000            | 10,000   | No Meeting allowance                                             |
| Nomination and Remuneration Committee | 20,000            | 10,000   | No Meeting allowance                                             |

#### (2) Bonus fee for Director

Bonus fee will be paid at 10% of dividend payment but not more than Baht 4 million, whichever is less.

Calculation method:

1. One position of Director counts as 1 part; except for positions of Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Executive Committee, and Chairman of the Nomination and Remuneration Committee will be counted as 2 parts.

2. If holding more than 1 position, count as 1 position whichever is higher.

3. Director with the Company's authorized signature and Director as Company's guarantor, count for another part for each position, regardless of rule no. 2 above.

The aforementioned directors' remuneration remain in effect until otherwise resolved by the Shareholders Meeting.

## Remuneration for the Company's Board of Directors

In 2016, the Company paid remunerations to the Board of Directors as follows :

| Name                                  | Number of Meeting / Total Meeting | Meeting Allowance | Bonus Fee | Total Remuneration <sup>1</sup> (Baht) |
|---------------------------------------|-----------------------------------|-------------------|-----------|----------------------------------------|
|                                       | 2016                              | 2016              |           |                                        |
| 1. Mr. Phongsuree Bunnag <sup>2</sup> | 8/9                               | 160,000           | -         | 160,000                                |
| 2.Mr.Songpol Shanmatkit               | 10/12                             | -                 | -         | -                                      |
| 3.Mr.Thanabul Maturanont              | 12/12                             | 70,000            | -         | 70,000                                 |
| 4.Mr.Wirasack Wirojwattanukul         | 11/12                             | 110,000           | -         | 110,000                                |
| 5. Dr. Pisut Chalakornkul             | 11/12                             | 110,000           | -         | 110,000                                |
| 6.Mr.Chalermpong Mahavanidvong        | 12/12                             | 120,000           | -         | 120,000                                |
| 7.Mr.Tada Charukitpaisarn             | 12/12                             | 150,000           | -         | 150,000                                |
| 8.Asst.Prof.Anucha Chintakanond       | 12/12                             | 120,000           | -         | 120,000                                |
| 9.Mr.Suthep Subsantiwong              | 11/12                             | 110,000           | -         | 110,000                                |
| 10.Mr.Yutaro Suzuki <sup>3</sup>      | 3/3                               | -                 | -         | -                                      |
| Total                                 |                                   |                   |           | 950,000.00                             |

Remark : <sup>1</sup>Total Remuneration composes of Meeting Allowance and Bonus Fee

<sup>2</sup>Mr. Phongsuree Bunnag has resigned from Director on August 11, 2016.

<sup>3</sup>Mr. Yutaro Suzuki has been appointed as Director on August 11, 2016 and denied to receive Director's remuneration.

## Remuneration for the Audit Committee

In 2016, the Company had paid remunerations to the Audit Committee as follows :

| Name                               | Number of Meeting / Total Meeting | Total Remuneration (Baht) |
|------------------------------------|-----------------------------------|---------------------------|
|                                    | 2016                              | 2016                      |
| 1. Mr. Tada Charukitpaisarn        | 8/8                               | 160,000                   |
| 2. Asst. Prof. Anucha Chintakanond | 8/8                               | 80,000                    |
| 3. Mr. Suthep Subsantiwong         | 7/8                               | 70,000                    |
| Total                              |                                   | 310,000                   |

### Remuneration for the Executive Committee

In 2016, the Company had paid the remuneration to the Executive Committee as follows :

| Name                            | Number of Meeting / Total Meeting | Total Remuneration (Baht) |
|---------------------------------|-----------------------------------|---------------------------|
|                                 | 2016                              | 2016                      |
| 1. Dr. Pisut Chalakornkul       | 12/12                             | 240,000                   |
| 2. Mr. Songpol Shanmatkit       | 9/12                              | -                         |
| 3. Mr. Thanabul Maturanont      | 12/12                             | 80,000                    |
| 4. Mr. Wichian Manapongpan      | 12/12                             | 120,000                   |
| 5. Mr. Wirasack Wirojwattanakul | 11/12                             | 110,000                   |
| Total                           |                                   | 470,000                   |

### Remuneration for the Nomination and Remuneration Committee

In 2016, the Company had paid the remunerations to the Nomination and Remuneration Committee as follows :

| Name*                     | Number of Meeting / Total Meeting | Total Remuneration (Baht) |
|---------------------------|-----------------------------------|---------------------------|
|                           | 2016                              | 2016                      |
| 1. Mr. Phongsuree Bunnag  | 7/8                               | 140,000                   |
| 2. Dr. Pisut Chalakornkul | 8/8                               | 80,000                    |
| 3. Mr. Songpol Shanmatkit | 7/8                               | -                         |
| TOTAL                     |                                   | 220,000                   |



## Remuneration for the Executives

In 2016, the Company had paid the remunerations to the Executives as follows :

| Remuneration for Executives                                                               | 2016             |               |
|-------------------------------------------------------------------------------------------|------------------|---------------|
|                                                                                           | Number of person | Million Baht  |
| Salary and Bonus                                                                          | 4                | 17,880,649.09 |
| Other remunerations such as transportation, telephone, contribution fund, Social security | 4                | 3,057,523.36  |
| Total                                                                                     | 4                | 20,938,172.45 |

Remark : Remuneration for Executives in above table consists of

- |                            |                            |
|----------------------------|----------------------------|
| 1. Mr. Songpol Shanmatkit  | 4. Mr. Pongchai Shanmatkit |
| 2. Miss Laorsri Maturanont | 5. Mr. Wichian Manapongpan |

## Other Remuneration

Other Remuneration of Director

-None-

## Other Remuneration of Executives

- Provident Fund

The Company has provided the Provident Fund for Executives. The Company has contributed 2% of salary. In 2016, the Company has contributed to the Provident Fund for 5 Executives of Baht 214,142.64.

- Social Security Fund

The Company has provided the social security fund for Executives with contribution of 5% of salary but not over Baht 750 per month. In 2016, the Company had contributed to the social security fund for 5 Executives of Baht 27,000

- Refer to the resolutions of the Board of Directors' Meeting No. 2/2017 of TV DIRECT PUBLIC COMPANY LIMITED ("the Company" or TVD) dated February 23, 2017 on the approval of the Employee Joint Investment Program (EJIP) and its program period in accordance with the Notification of the Office of Securities and Exchange Commission

1. The Company and its subsidiaries eligible under EJIP
  - TV DIRECT PUBLIC COMPANY LIMITED and its subsidiaries

2. The period of EJIP
 

Starting from April 1, 2017 till March 31, 2019, with a total duration of 2 years.

3. Eligible employees under EJIP

Qualification of Project member

- Join the Company before July 1, 2015
- Being employee Type 2 or 3
- Average evaluation grade for past 6 months is not less than A/B (Q3-Q4/2015, Q1-Q4/2016) - Well-behaved and got normal work recorded.
- Never be disciplined with the written warning or higher level of punishment on the voluntary basis; directors and advisors of the Company are not entitled for this program.

4. EJIP arrangement

The Company will deduct from payroll of eligible managers who voluntarily joins EJIP at the rate 3% of the salary in each month till the end of the EJIP period. The Company will contribute as the same amount from EJIP participants on a monthly basis.

Both employees' and the Company's contribution will be invested on buying TVD shares in the Stock Exchange of Thailand (SET) within the Company's specified date in each month by Phillip Securities Public Company Limited, who has been assigned by the Company to execute EJIP.

5. Conditions for holding the securities

An EJIP participant has the right to sell TVD shares directly in the SET when EJIP duration reaches 1 year (March 31, 2018) for half of the outstanding shares held and at the end of EJIP (March 31, 2019) for the whole amount unless the EJIP participant is no longer the employee of the Company, retired, dead, or exits from the program, according to the terms and conditions in the contract between TVD and EJIP participants.

The stated EJIP is under the consideration process for approval from SEC.

## Employee

Number of employees

As at December 31, 2016 the Company has 947 employees by separating into various departments as follows :

| Department                           | Number of employee |
|--------------------------------------|--------------------|
| 1. Office of Directors (OD)          | 17                 |
| 2. T.V. Marketing (DTV,STV,TVS)      | 133                |
| 3. Outbound (OBGM,OBSM)              | 371                |
| 4. Direct Response Printing(DRP)     | 34                 |
| 5. Online Shopping (OMD, OOD, WAD)   | 22                 |
| 6. Retail Store Sale Division (RSS)  | 140                |
| 7. Consignment and Wholesale(RNS)    | 130                |
| 8. Retail Operations Department(ROD) | 16                 |
| 9. Merchandise Marketing(MM)         | 22                 |
| 10. Brand Management (BM)            | 15                 |
| 11. Planning and Purchasing (PPD)    | 16                 |
| 12. Customer Relations(CRM)          | 31                 |
| <b>TOTAL</b>                         | <b>947</b>         |

## Employee's Remuneration

### Financial remuneration

In 2016, the Company had paid employees' remuneration (not including Executives) at Baht 230,363,198.04 in the form of salary, bonus, and other compensations such as commission, overtime, vehicle, telephone payment, etc

### Other remuneration of employee

- Provident Fund

The Company has provided the Provident Fund for Employee. The Company has contributed 2% of salary. In 2016, the Company has contributed to the Provident Fund of Employees for Baht 1,409,741.48

- Social Security Fund

The Company has provided the social security fund for Executives with contribution of 5% of salary but not over Baht 750 per month. In 2016, the Company had contributed to the social security fund for employees (excluding Executive) of Baht 6,289,383

- Refer to the resolutions of the Board of Directors' Meeting No. 2/2017 of TV DIRECT PUBLIC COMPANY LIMITED ("the Company" or TVD) dated February 23, 2017 on the approval of the Employee Joint Investment Program (EJIP) and its program period in accordance with the Notification of the Office of Securities and Exchange Commission

1. The Company and its subsidiaries eligible under EJIP
  - TV DIRECT PUBLIC COMPANY LIMITED and its subsidiaries

2. The period of EJIP
  - Starting from April 1, 2017 till March 31, 2019, with a total duration of 2 years.

3. Eligible employees under EJIP

#### Qualification of Project member

- Join the Company before July 1, 2015
- Being employee Type 2 or 3
- Average evaluation grade for past 6 months is not less than A/B (Q3-Q4/2015, Q1-Q4/2016) - Well-behaved and got normal work recorded.
- Never be disciplined with the written warning or higher level of punishment on the voluntary basis; directors and advisors of the Company are not entitled for this program.

#### 4. EJIP arrangement

The Company will deduct from payroll of eligible managers who voluntarily joins EJIP at the rate 3% of the salary in each month till the end of the EJIP period. The Company will contribute as the same amount from EJIP participants on a monthly basis.

Both employees' and the Company's contribution will be invested on buying TVD shares in the Stock Exchange of Thailand (SET) within the Company's specified date in each month by Phillip Securities Public Company Limited, who has been assigned by the Company to execute EJIP.

#### 5. Conditions for holding the securities

An EJIP participant has the right to sell TVD shares directly in the SET when EJIP duration reaches 1 year (March 31, 2018) for half of the outstanding shares held and at the end of EJIP (March 31, 2019) for the whole amount unless the EJIP participant is no longer the employee of the Company, retired, dead, or exits from the program, according to the terms and conditions in the contract between TVD and EJIP participants.

The stated EJIP is under the consideration process for approval from SEC.

### Employee development plan

The important thing in conducting the business of product distribution, with new product innovation all the time, by using multichannel marketing is the impressive creation in product usage experience. Then, training has been arranged for sale representatives in order to present product knowledge and usage of products in each category. However, in order to develop other employees to develop their abilities to serve the more and increasing sale volume, the Company has the policy on employees' development as follows:

1. Training by Executive / employee who have experiences with training on the present products and occasionally new products in order to develop understanding in various products completely and will be able to give recommendation correctly to customers with satisfaction.
2. Training course directly by the products' owner
3. Training by inviting skilled trainer on various topics for employees
4. Arrangement of budget for employee for specialized training.
5. Using the operational system to support on the acquisition management, product management, product delivery, and supply supporting sale information, including training on the real operations in order to establish efficient operations.

Moreover, in 2012, the Company hired external human resources advisor to help in structural development and management of human resources system. These were in the subjects of operation on the structural positioning, characteristic of work position, standard training structure, evaluation system, career path's growth, including the related software in order to create development and encouragement in all level of employees.

### Labor dispute

-None-



# Corporate Governance



## Corporate Governance Policy

The Company realizes that good corporate governance is very important and has supporting role on operations of the Company which enables it to continuous grow and increases confident towards shareholders, investors, and all related parties. The Company will emphasize on operating the business in accordance with the good corporate governance and includes in strictly complying with rules and regulations of the Securities and Exchange Commission Office, and the Stock Exchange of Thailand. Then, the Company also continuously supports Executives and employees to realize the importance of good corporate governance, and supplies knowledge to all employees on the good corporate governance which includes code of ethics of the Company for correct practice.

The Company stipulates on guidelines on good corporate governance to be in accordance with good corporate governance that has been stipulate by the Stock Exchange of Thailand in which 5 important parts are as follows:

### 1. Shareholders' Rights

The Company realizes and stresses the importance of equal right to shareholders such as the trading right, profit sharing right from the Company, shareholders' meeting right, and the right to present their opinions. The right on participation in the important decision making subjects of the Company such as; allocation of dividend payment, appointment or termination of Director, approval on important business transaction that reflects business direction of the Company, and amendment of the Company's Memorandum of Association and regulations, etc. The Company has the policy to proceed with various operations in order to support and facilitate on shareholders' rights as follows:

(a) The Company will deliver notice of meeting with complimentary information on various agenda, including right of shareholders on the meeting, and the right to vote for shareholders so that shareholders will have advanced information in accordance with the related law, or as specified by the Securities and Exchange Commission Office, and the Stock Exchange of Thailand, and the Company also has policy to disclose the information through the Company's website prior to the meeting.

(b) In case that shareholder cannot attend the meeting, the Company opens opportunity to shareholders to give proxy to Independent Director or any other person as replacement by using one of the proxy forms already delivered with the notice of meeting.

(c) Prior to the shareholders' meeting, the Company opens opportunity to shareholders to send in their comments, suggestion, and questions before the meeting date.

(d) During the meeting, the Company will allocate appropriate time, and opens opportunity to shareholders for comments, suggestion, and questions in various agenda freely before any resolution. Moreover, in the shareholders' meeting, the Executive Directors and related persons will join the meeting to present information and will answer questions, and all questions and suggestions will be recorded in the minute of the meeting for shareholders to review.

(e) The Company will facilitate and promote all shareholders, including the institutional investors, to participate in the shareholders meeting.

### 2. Equal right to shareholders

The Company has the policy to treat and protect shareholders' rights equally especially for minority shareholders such as; open opportunity to minority shareholders to add more agenda before the meeting date, open opportunity to minority shareholders to propose person for appointment as Director, stipulation for Independent Director the duty to take care of the minority shareholders as minority shareholders can give suggestions, and comments to Independent Director who will consider action as appropriated in each case. Additionally, the meeting agenda will not necessarily be added without prior notice especially in some important agenda that requires time on studying information prior to decision making, etc.

On protection of insider information, the Company stipulates protection measures on insider trading of person related to Directors, Executive, employee, and person employed by the Company (including spouse and children who are minors) who are related to the information, are to disclose inside information to outsider or unrelated person. Also, they must not seek for their own benefits and for related person by using position and secret information of the Company such as; Director, Executive, and related person are forbidden to disclose inside information to outsider or unrelated person. Persons who are relating to inside information are not allowed to engage in the Company's securities trading within 1 month before the quarterly financial statements, and the Company's annual financial statements are published to the public, and for 48 hours after important information are being disclosed.

The Company stipulates that Director and Executive, including spouse and children who are minors, are to report on their stock holding of the Company to the Securities and Exchange Commission Office in accordance with item 59 in the Securities and Exchange Act BE 2535. Moreover, on the buying, selling or transferring securities of the Company that Director and Executive, including spouse and children who are minors, are to report on their stock holding of the Company to the Securities and Exchange Commission Office and the Stock Exchange of Thailand within 3 working days after the buying, selling or transferring, and a copy must be sent to the Company as evidence. Moreover, the Company also stipulates that Directors and Executives have to report changes in their shareholding in the Company's shares to the Board of Directors' meeting.

### 3. Role of the Stakeholders

The Company recognizes the important role of all stakeholders whether from the internal stakeholders such as employees and Executives of the Company, or external stakeholders such as customers, competitors, creditors, Government agencies, communities, and other related organizations. The Company realizes that supports from various stakeholders will generate ability to compete and results in profit to the Company which is considered as long term success for the Company.

- Shareholders : The Company strives to become good representative of shareholders in operating the business in order to build maximum satisfaction for shareholders by considering the long term growth in value with good and continuous returns of the Company.
- Customer : The Company strives to build high customers' satisfaction and promote relationship on the same beneficial basis. This can be preceded by bringing good quality products and services for distribution and ready to quickly execute complaints from customers. Moreover, the Company is responsible toward customers by distributing good quality products and services at reasonable prices with complete presentation on information of products and services with efficient advice on products usages. Researches on products requirements and customers' satisfaction have been done to bring research information on the development of business in accordance with customers' requirement.
- Trading Partner : The Company contemplates on equal business operations and mutual benefit with the trading partners in accordance with commercial conditions and not contrary to the law. The Company purchase products and services from trading partners in accordance with commercial conditions including the contracts conformation.
- Competitor : The Company supports and promotes the policy of free and fair competition within the rules of good competition, ethics, and complying with the law.
- Creditor : The Company practices under conditions of the contract and financial obligation towards creditors strictly, correctly and fully.
- Employee : The Company promotes and develops employees' abilities to achieve the most capabilities by arrangement with fair employment, and with good, healthy, and safe working environment Policy and procedure on remuneration and benefits of employees will be clearly and fairly stated in accordance with the short and long term performance of the Company.

The Company provides remuneration that in accordance with short term performance of the Company such as salary, bonus and provident fund.



For remuneration that in accordance with long term performance of the Company in order to motivate employee's performance, the Board of director's meeting has a resolution to approve and stipulate the duration of Employee Joint Investment Program – EJIP. EJIP is a company share investing project which is considered as one of the Company and subsidiaries' employee remuneration plan.

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Government Agency      | : The Company realizes the important on strictly complying with the law and regulations of related agencies and has representative as Director in the Thai Direct Marketing Association.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Community              | : The Company recognizes the important on environment, safety and responsibility toward community by making arrangement to take care of environment and safety with maximum efforts and also campaign on energy saving. Moreover, the Company has arranged activities together with communities in order to compensate and help society such as coordination with the Thai Red Cross Society on blood and stem cells donation under the project "A Drop for Life.....Donation from hundred hearts".                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Environment            | <p>: The Company importantly specifies in the protection of environment, and responsibility towards society by supporting the promotion of efficiently using all natural resources for maximum benefit by having in mind the impact on environment as well. These will be stipulated as the safety policy, occupational health, and environment in the working place, and the promotion for knowledge and training employees on the environment, occupational health, safety, and environment in the working place.</p> <p>In 2015, the Company received 2 outstanding rewards from the Ministry of Labour i.e. the "Outstanding Corporate Award in Labour Relations and Welfare" and national award for "Outstanding Corporate in Occupational Safety, Health and Working Environment". The Company realized the importance of safety management, health, and working environment in accordance with the international standard. Raising awareness on safety among employers and employees had been promoted systematically as well as support had been made to coordinate with government agencies and the private sectors.</p> |
| Human Rights Violation | : The Company has the policy that will not contravene with human rights violation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Copyright Violation    | : The Company has the policy and guideline that will not interfere with the copyrights or rights of other person.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Anti-Corruption Policy | : The Company has the policy against corruption and illegal payment for the benefit of the Company's business. The Company has the evaluation process on risk of corruption within the organization, including guideline on supervision, protection, and follow up on risk from corruption. The Company also arranges for training courses for its employees on the knowledge of its policy and procedures in dealing with corruption. The Board of director's meeting no. 2/2015, held on February 26th, 2015, had a resolution to approve the Company to announce the policy and the intention on anti-corruption as well as develop Anti-Corruption project as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

In May 2015, the Company had announced its intention to join the “Collective Action Coalition” of the private sector in anti-corruption, and also showed the Company’s information of its intention as a coalition of the Thai private sector in anti-corruption campaign to the “Thai Institute of Directors” (IOD).

In February, 2016, the Company has appointed the “Anti-fraud and Corruption Commission” of subsidiary companies under the TV Direct Public Company Limited in order to establish the strong and sustainable standard system of anti-corruption in the establishment. The main duties of Anti-fraud and Corruption

Commission includes stipulating policy, objectives, goal and plan in preventing fraud and anti-corruption in order to be in line with policy and code of conduct as well as to set up guidelines of supervision and monitoring to prevent and follow up risk of fraud and corruption including systematically and consistently performance evaluation as per anti-corruption policy. In addition, the Commission also has a duty to provide training program regarding fraud prevention and anti-corruption guidelines.

In November 2016, the Company invited Mr. Thanakit Permpoonkhantisuk, a professional lecturer, who experienced in developing anti-corruption policy to share knowledge and guide the implementation of anti-corruption program that fit with the organization to the Company’s Anti-Corruption Committee.



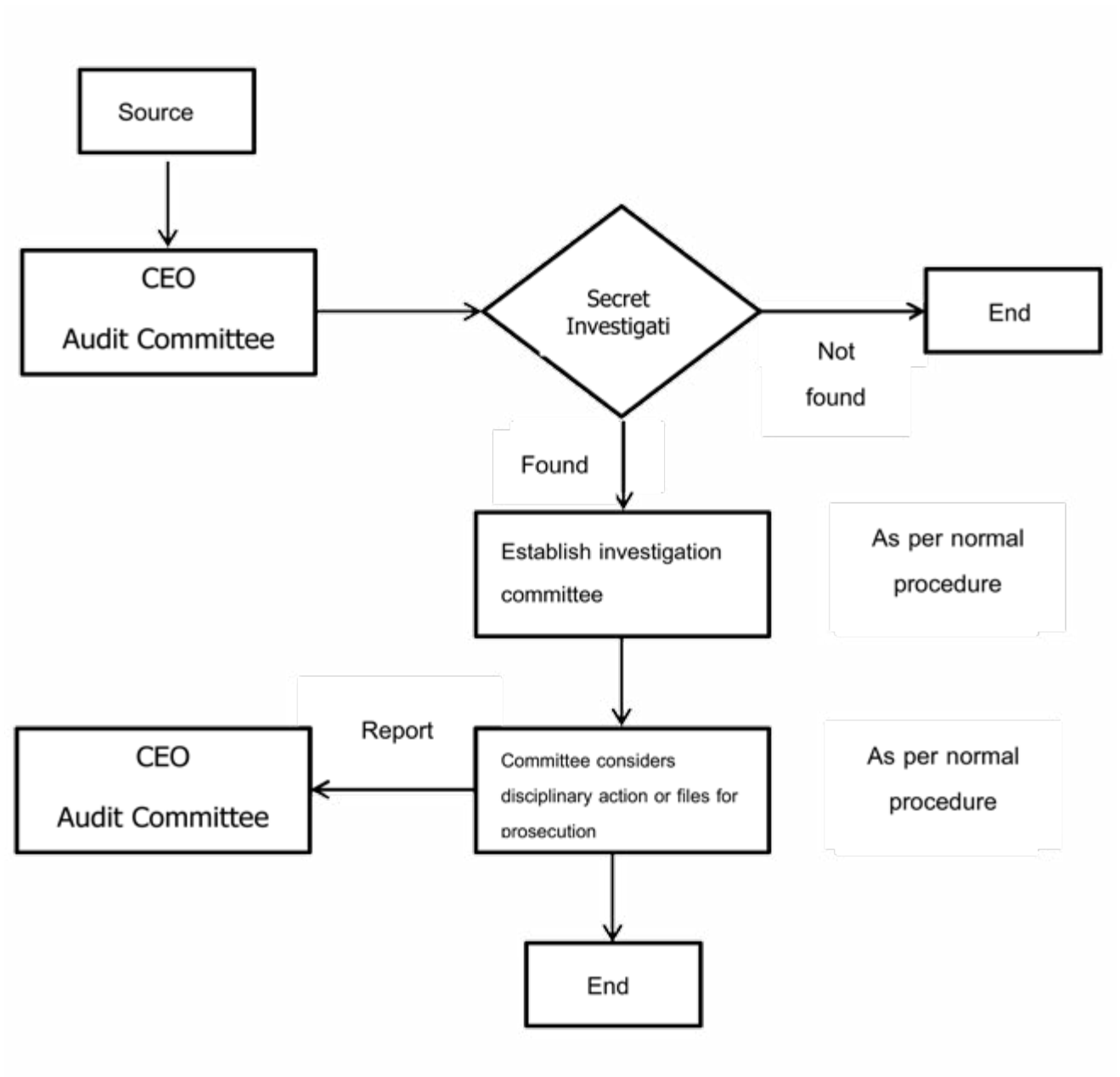
In December 2016, the Company prepared data and self-assessment on anti-corruption measures with 71 items and filed it to be certified under the project of Collective Action Coalition of the private sector in anti-corruption (CAC) by Thai Institutes of Director (IOD).

In February 2017, the Company invited Mr. Thanakit Permpoonkhantisuk, a professional lecturer, who experienced in developing anti-corruption policy to educate the senior executive on anti-corruption and illegal payment for the benefit of the Company’s business.



Moreover, the Company has stipulated its policy on the Whistle Blower Policy so that all stakeholders can inform or complain on the Company’s mismanagement as well as any wrong-doing of Executive and the management and including any complaint on rights violation. The Company’s Board of Directors will arrange channel for stakeholders to contact and inform on any clue through the assigned person in each channel. The Whistle Blower will be protected and assured that all information and sources will be kept secret. The procedure of complaint and fact finding are as follows:

The procedure of complaint and fact finding



#### 4. Information disclosure and transparency

The Company's Board of Directors realizes and stresses that the importance of information disclosure must be correct, complete and transparent on the general reports of financial information and general information under regulations of the Securities and Exchange Commission Office, and the Stock Exchange of Thailand as well as other information that may have impact on the Company's stock pricing. The Company will publish the information to shareholders, investors, and public through various media such as information broadcasting of the Stock Exchange of Thailand, the Company's website, newspapers, etc. in order to equally reach the shareholders.

On the investor's public relation, the Company has assigned the Chief Executive Officer, and Head of Finance and Accounting Work, or person assigned by the Chief Executive Officer to communicate with general people such as shareholders, investors, analyzers, and related persons.

The Company's Board of Directors realizes that the Company's information concerning financial information and non-financial information have resulted in the decision making of investors and stakeholders of the Company. The Company has stipulated the Audit Committee to review quality of financial statements and internal control system, including sufficient information disclosure of important information in the remark of the financial statements, and report to the Company's Board of Directors for acknowledgement. Additionally, the Company's Board of Directors has the policy to disclose information correctly, completely, and truthfully, continuously and on time as per regulations of the Stock Exchange of Thailand.

Moreover, to be in line with the Securities Exchange of Thailand B.E. 2535, section 89/14 and announcement of the Capital Market Supervisory Board tor-jor 2/2552 that stipulate below.

On the follow-up on conflict of interest of the Board of Directors and the Company's Executives or person relating to the conflict of interest with the Company or its subsidiaries', the Company's Board of Directors and Executives must report all conflict of interest in accordance with regulations and procedures as stipulated by the Board of Directors.

The Company's Board of Directors meeting no. 9/2012 on September 24, 2012, had its resolution in the approval of regulation and reporting method on conflict of interest that Directors and Executives had to follow.

The Board of Directors stipulates the policy and regulations on remuneration for Executives by assigning the Remuneration and Compensation Committee to stipulate the remuneration and other benefits policy including compensations and other benefits to the Company's Board of Directors and other high level management of the Company (Deputy/Senior Vice President level upwards). This also includes remuneration for Directors, salary, compensation payment, bonus, and other related alternative benefits which must have clear and transparent regulation. These will be submitted to the company's Board of Directors for approval and to be delivered to the Stock Exchange of Thailand, if requested which will be in accordance with the stated scope of authority and responsibility of the Remuneration and Compensation Committee.

In 2016, the Company joined the Opportunity Day, hosted by the Stock Exchange of Thailand for 4 times, and held 2 Analyst Meeting as to present, reply any queries and exchange some opinions on the Operating Results of the Company.

In addition, the Company discloses all news that released to the Stock Exchange of Thailand, press and public and news clipping on the Company's website as to enable the investors or anyone to update the Company's information in real time basis.

#### 5. Responsibilities of the Board of Directors

##### 5.1 Board of Directors' structure

The Company's Board of Directors consists of knowledgeable members with capabilities and experiences who contribute to the Company. The Board of Directors has important roles in stipulation on the policy, target, business plan, and budget as well as the supervision of Executives to operate efficiently and effectively in accordance with the assigned policy.

At present, the Company's Board of Directors has 9 members consisting of 1 Executive Directors, and 5 non-Executive Directors, with 3 Independent Directors that are one third of total Directors which will suitably balance on the voting of various topics. Moreover, the Company also appoints 3 additional sub-committees which are the Audit Committee, Executive Committee, and Nomination and Remuneration Committee and has clearly specified their scopes of duties and responsibilities. Additionally, the Chairman of the Company's Board of Directors is not the same person as the Chief Executive Officer in order to separate their duties on determination on overall policy and supervision of daily operations.

According to the Company's regulations, in every annual ordinary shareholder's meeting, 1/3 of Directors has to vacate their positions. If the 1/3 number of Directors are not exactly divided, the nearest number shall be selected. The Directors who have to vacate their positions in the 1st or 2nd year, after registration of the Company, have to draw lots, and for later year Directors with longest serving years have to vacate the positions but Directors who have to vacate their positions may be re-elected into the new positions.

The Company has Secretary of the Board of Directors who performs duty on the procedures of the Board of Directors' meeting, and the shareholders' meeting. The Company's Secretary has duty on giving suggestions on regulations to the Board of Directors must acknowledge and taking care of the Board of Directors' activity including coordination on operations as per the Board of Directors' resolution.

## 5.2 Scope of duties and responsibilities of the Committees.

Committees are responsible towards shareholders for business operations of the Company by stipulating the policy and business direction of the Company including the monitoring that management is according to target, and guideline for long term benefit to shareholders under the stipulation of law and business ethics while at the same time the Committees have to consider all stakeholders' benefits.

### Corporate Governance Policy

The Company has its corporate governance policy in written format for presentation to the Company's Board of Directors meeting for approval. Also, manual on the corporate governance has been published as guidelines to Directors, Executives, and employees for implementation as the Company's Board of Directors has arranged for its review every year.

The Board of directors' meeting no. 2/2017, held on February 23, 2017, had a resolution to improve Corporate Governance policy in terms of role, duty and responsibilities of the Board of directors as follows:

- Determines that the number of company which each director can be serving as a director is required to be no more than 5 companies without exemption.
- Determines the policy of a quorum, the Board of directors' meeting will reach a quorum only when 2/3 of the number of director member is presented in the meeting.

### Business Ethics

The Company has the policy to operate its business in transparent and ethical manners with responsibility toward stakeholders as well as toward society and environment. The Company has published the code of ethics booklet so that the Company's Board of Directors, Executives and employees can use as guidelines for their operations, and the Company has made announcement and inform all employees for acknowledgement and strictly conform to the code of ethics.

### Conflict of Interest

The Company has policy to carefully consider and terminate conflict of interest with honesty, faithfulness, with reason and freely under the good ethics in order to give benefit to the Company. Related person on subject for consideration must inform his conflict of interest to concerned person and will not be allowed for consideration, including no authority to approve the related subject.

The Company has the policy on related party transaction and item that may have conflict of interest to be in accordance with the law, as well as regulations of the Securities and Exchange Commission Office, and the Stock Exchange of Thailand including the disclosure of transaction in the annual report, and in the annual statement (form 56-1).

### Internal Control

The Company realizes the important of good internal control system as this has been arranged in manual with procedures in writing. It prescribes segregation on responsibility, operational authorization of employee and Executive on various subjects, asset holding, approving on item, recording of accounting and financial information, separation on duties of operator, monitoring person, and evaluation, from each other in order to set the balance on checking and evaluating.

The Company has appointed Quantum Point Consulting Co., Ltd. as internal auditor and report the result to the Audit Committee.

### 5.3 Committee meeting

The Company's Board of Directors has stipulated that the meeting will normally be on every month and may have extraordinary meeting if necessary. The meeting date and the meeting agenda will be clearly set in advance and information will be given prior to the meeting date at least 5 working days, so that the Committee will have enough time to study the information except in case of emergency. Directors have the duty to attend every meeting except in some necessary event, and the Company will make minute of the meeting and collect documents on minutes of the meeting for reference and review.

On consideration of various subjects, the Chairman who acts as Chairman of the meeting will open opportunity to Directors to have free suggestions. In some agenda, there may be high level Executive involving in the meeting to give some additional useful information including the direct acknowledgement on policy for efficient operations.

### 5.4 Remuneration

Resolution in the Annual General Meeting of Shareholders Year 2014 on March 28, 2014, on the remuneration of the Board of Directors and other sub-committees, has stipulated regulations and remuneration for Directors and Executives according to the knowledge, ability, duty, responsibility, and experience and comparing with the same type of industry. The remuneration rate must be suitable, to safeguard person with ability to work with the Company for a long term. Moreover, the Company has made proposal on Directors' remuneration to the shareholders meeting for its approval by receiving agreement from the Nomination and Remuneration Committee beforehand, and these will be disclosed as specified by the Securities and Exchange Commission Office.

### 5.5 Directors and Executives' Development

The Company continuously supports the Board of Directors, and Executives to participate in seminar that is useful to the operations and development. In case of change or resignation in the position of Directors or Executives, the Company will arrange for useful documents and information to be delivered to the new Directors or Executives including arrangement for new Directors or Executives to attend the seminar as well.

In 2016, Mr. Yutaro Suzuki has passed the training of Board Orientation for new director on September 19, 2016 (In-house training) and has passed Director Certification Program (DCP No. 232/2016 English Residential AEC), on November 27<sup>th</sup> – December 2<sup>nd</sup>, 2016.

### 5.6 Vision and Mission

The Board of Directors has stated the Company's Vision and Mission for all management and employees for joint understanding in order to move to the same destination.

### 5.7 Performance evaluation

#### 5.7.1 Performance evaluation of the Board of directors

The Board of director has evaluated the performance of individual director member every year based on criteria and procedures for evaluation according to the guidelines of the Stock Exchange of Thailand.

#### 5.7.2 Performance evaluation of the sub-committee

The sub-committee has evaluated the performance of each sub-committee every year based on criteria and procedures for evaluation according to the guidelines of the Stock Exchange of Thailand.

#### 5.7.3 Performance evaluation of Chief Executive Officer

The Board of director has evaluated the performance of Chief Executive Officer every year based on criteria and procedures for evaluation according to business management criteria.

### 5.8 Roles and responsibilities of Chief Executive Officer

Roles and responsibilities of Chief Executive Officer are to be in accordance with the Company's regulation.

### 5.9 Preparation of Chief Executive Officer succession plan

The Board of directors has stipulated policy and guideline on the preparation of Chief Executive Officer succession plan.

## Sub-Committee

Details on the Sub-Committee are shown in the topic “Management”

## Recruitment and Appointment of Directors and Executives

Details on Recruitment and Appointment of Directors and Executives are shown in the topic “Management”

## Supervision on the operations of subsidiaries and joint investment company

The Company has the procedures in supervision on the operations of subsidiaries and joint investment company in order to protect its interest and investment by sending its representatives as Director, Executive or authorized person with authority.

## Supervision on the use of inside information

In order to create transparency and protection on using inside information that has not been disclosed to the public for self-benefit, including avoiding any scandal on the suitability of inside trading, the Company has the policy and procedures for protection on using internal information for self-benefit as follows:

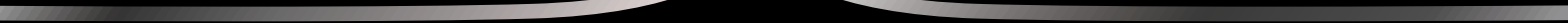
- Directors, Executives, and employees of the Company must keep secret and / or internal information of the Company by not disclosing or searching for own-benefit, or for benefit of other person either directly or indirectly. This includes buying, selling, transferring, or receiving transfer the Company’s share by using secret and / or internal information of the Company and / or entering into legal document by using secret and / or internal information of the Company that may cause any damage to the Company.
- Communicate with Directors and Executives in various department on the duty to report their own shareholding, spouse, children who are minors to the Securities and Exchange Commission Office, and the Stock Exchange of Thailand as in item 59 and imposed by section 275 of the Securities and Exchange Act BE 2535.
- The Company specifies that Directors and Executives have to report their changes in stockholding to the Securities and Exchange Commission Office as in item 59 of the Securities and Exchange Act BE 2535 and copy of the transaction must be sent to the Company on the same day as report to the Securities and Exchange Commission Office.
- The Company will proceed with circulation letter to Executives that the Executives and related person who receive internal information that have resulting impact on the changing of share prices will have to stop the Company’s share trading within 1 month before the quarterly financial statements, and the Company’s annual financial statements are published to the public, and for 48 hours after important information are being disclosed.

Hence, if there is any violation on the above regulations, the Company will proceed with disciplinary action as appropriated depending on intention and damage caused by that particular action by issuing warning letter, salary cut / temporary suspension and termination from work.

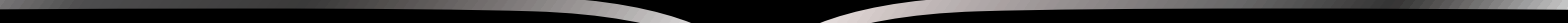
## Remuneration for the Auditor

Remuneration for the auditor for 2016 has been paid to PriceWaterHouseCooper ABAS Co., Ltd.:

- |                      |                  |
|----------------------|------------------|
| - Audit services     | : Baht 1,870,000 |
| - Non Audit Services | : none           |



## Internal Control and Risk Management





## The Board of Directors on the adequacy and appropriateness of the Company's internal control system.

The Company realizes the importance on strengthening of internal control system to be adequate and appropriate with business operations in order to protect the Company's property from damage, or for other improper benefit. The Company has appointed the Quantum Point Consulting Co., Ltd., as the auditor of internal control of the Company, and reports the auditing results directly to the Audit Committee for its independence on operations.

In the Board of Directors meeting no. 2/2017, on February 23, 2017, with participation from the Audit Committee, the Board of Directors had evaluated the adequacy of internal control system by questioning information from management, and answering on questionnaires on adequacy of the internal control by themselves. It could be summarized that evaluation on 5 parts of internal control system of the Company which were; the Control Environment, Risk Assessment, Control Activities, information and Communication, and Monitoring Activities, the Board of Directors and the Audit Committee commented that the internal control system was adequate enough.

## Head of Internal Audit and Head of Compliance Unit

### Head of Internal Audit

The Company appoints Quantum Point Consulting Co., Ltd. as the auditor of the Company's internal control system.

Quantum Point Consulting Co., Ltd., then, assigns Mr. Ruckpon Ungsuwitthaya as head of internal audit of the Company's internal control system with the following details:

### Education background :

|                 |                                                     |
|-----------------|-----------------------------------------------------|
| Master Degree   | Business Administration - Louisiana University, USA |
| Bachelor Degree | Accounting - Ramkhamhaeng University                |

### Working Experiences :

|                |                                                                                                                                                             |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2011 - present | Manager - internal control system monitoring<br>Quantum Point Consulting Co., Ltd.<br>Consulting and monitoring the adequacy of the internal control system |
| 2004-2010      | Manager - internal control system monitoring<br>RPJM Coaching Co., Ltd.<br>Consulting and monitoring the adequacy of the internal control system            |
| 2000-2003      | Director - Finance and Operation<br>Jafra International (Thailand) Ltd.<br>Importer and Distributor of cosmetic products                                    |
| 1997-2000      | Finance Director<br>Indochina Healthcare Co., Ltd.<br>Importer and Distributor of Pharmaceuticals and Healthcare products                                   |

### Related Training Courses :

- Audit Committee course of the Thai Institute of Directors
- Internal training course on technique and tool for primary auditing
- Internal training course on auditing management and technique of the team leader

### Head of Compliance Unit

None

### The appointment, removal and transfer of head of internal audit

At the Annual 2011 General Ordinary Meeting of Shareholders on April 19, 2011, the Company has the resolution to approve the roles and responsibilities of the Audit Committee in the suitable and efficient reviewing method for the internal control system and internal audit. Considerations have been made on the independence of internal auditing unit as well as considerations on the appointment, removal and transfer of head of internal audit or other units with relating responsibilities to the internal control.



## Related Party Transactions



## Related Party Transactions

### Related party transactions of the TV Direct Public Company Limited or its subsidiaries with other companies or persons who may have conflict of interest

Details and information of related party transactions of the Company, subsidiary companies, and related companies are illustrated in Note 37 of the financial statements for the year ending December 31, 2016. The Company's Audit Committee had examined the related party transactions and made a remark that those related party transactions are in accordance with Fair and at arms' length basis.

#### Remark for the financial statements note 37

| Nature of Transaction                                                                                 | Company / Relationship     | Total Shareholding<br>Direct / Indirect | Company Financial Statements in<br>2016<br>Value (Baht) | Policy on price |
|-------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------|---------------------------------------------------------|-----------------|
| <b>a) Revenues from selling of products and services and others for year ending December 31, 2016</b> |                            |                                         |                                                         |                 |
| Revenue from sales of products                                                                        | <b>Subsidiaries</b>        |                                         | <b>32,534,127</b>                                       |                 |
|                                                                                                       | TVD Shopping Co., Ltd.     | 65                                      | 30,569,544                                              | Market price    |
|                                                                                                       | Last Mile Direct Co., Ltd. | 99.99                                   | 1,878,287                                               | Market price    |
|                                                                                                       | TVD Broker Co., Ltd.       | 99.99                                   | 86,296                                                  | Market price    |
| Revenue from rent                                                                                     | <b>Subsidiaries</b>        |                                         | <b>3,244,000</b>                                        |                 |
|                                                                                                       | TVD Broker Co., Ltd.       | 99.99                                   | 3,244,000                                               | Market price    |
| Revenue from services                                                                                 | <b>Subsidiaries</b>        |                                         | <b>49,445,597</b>                                       |                 |
|                                                                                                       | TVD Shopping Co., Ltd.     | 65                                      | 32,792,984                                              | Market price    |
|                                                                                                       | Last Mile Direct Co., Ltd. | 99.99                                   | 2,310,564                                               | Market price    |
|                                                                                                       | TVD Broker Co., Ltd.       | 99.99                                   | 14,342,049                                              | Market price    |
| Revenue from dividend                                                                                 | <b>Subsidiaries</b>        |                                         | <b>71,629,996</b>                                       |                 |
|                                                                                                       | TVD Shopping Co., Ltd.     | 65                                      | 71,629,996                                              |                 |
| Revenue from interest received                                                                        | <b>Subsidiaries</b>        |                                         | <b>351,737</b>                                          |                 |
|                                                                                                       | Last Mile Direct Co., Ltd. | 99.99                                   | 144,395                                                 | Market price    |
|                                                                                                       | TVD Broker Co., Ltd.       | 99.99                                   | 207,342                                                 | Market price    |

| b) Purchasing of products and services and others for the year ending December 31, 2016                   |                            |       |                   |              |
|-----------------------------------------------------------------------------------------------------------|----------------------------|-------|-------------------|--------------|
| Cost of goods                                                                                             | <b>Subsidiaries</b>        |       | <b>839,244</b>    |              |
|                                                                                                           | TVD Shopping Co., Ltd.     | 65    | 726,139           | Market price |
|                                                                                                           | Last Mile Direct Co., Ltd. | 99.99 | 113,105           | Market price |
| Cost of service rendering                                                                                 | <b>Subsidiaries</b>        |       | <b>2,076,505</b>  |              |
|                                                                                                           | TVD Broker Co., Ltd.       | 99.99 | 2,076,505         | Market price |
| Buying media time for TV broadcasting                                                                     | <b>Subsidiaries</b>        |       | <b>65,719,449</b> |              |
|                                                                                                           | TVD Services Co., Ltd.     | 99.99 | 65,719,449        | Market price |
|                                                                                                           |                            |       |                   |              |
| <b>Cost for marketing services</b>                                                                        |                            |       |                   |              |
| Managing expenses                                                                                         | <b>Subsidiaries</b>        |       | <b>702,056</b>    |              |
|                                                                                                           | TVD Shopping Co., Ltd.     | 65    | 702,056           | Market price |
|                                                                                                           |                            |       |                   |              |
| Other expenses                                                                                            | <b>Subsidiaries</b>        |       | <b>77,745,151</b> |              |
|                                                                                                           | TVD Services Co., Ltd.     | 99.99 | 77,745,151        | Market price |
|                                                                                                           |                            |       |                   |              |
| Interest payable                                                                                          | <b>Subsidiaries</b>        |       | <b>510,769</b>    |              |
|                                                                                                           | TVD Shopping Co., Ltd.     | 65    | 510,769           | Market price |
|                                                                                                           |                            |       |                   |              |
|                                                                                                           | <b>Subsidiaries</b>        |       | <b>11,986</b>     |              |
|                                                                                                           | TVD Services Co., Ltd.     | 99.99 | 11,986            | Market price |
|                                                                                                           |                            |       |                   |              |
| c) Outstanding balances from purchase / sales of products and services and others as at December 30, 2016 |                            |       |                   |              |
| Account receivables                                                                                       | <b>Subsidiaries</b>        |       | <b>3,659,492</b>  |              |
|                                                                                                           | TVD Shopping Co., Ltd.     | 65    | 2,541,971         | Market price |
|                                                                                                           | Last Mile Direct Co., Ltd. | 99.99 | 1,108,961         | Market price |
| Other account receivables                                                                                 | TVD Broker Co., Ltd.       | 99.99 | 8,560             | Market price |
|                                                                                                           | <b>Subsidiaries</b>        |       | <b>418,351</b>    |              |
|                                                                                                           | TVD Services Co., Ltd.     | 99.99 | 9,217             | Market price |
|                                                                                                           | TVD Broker Co., Ltd.       | 99.99 | 409,134           | Market price |
| Accrued income                                                                                            | <b>Subsidiaries</b>        |       | <b>11,800,704</b> |              |
|                                                                                                           | TVD Shopping Co., Ltd.     | 65    | 10,820,704        | Market price |
|                                                                                                           | TVD Broker Co., Ltd.       | 99.99 | 980,000           | Market price |
| Accrued interest receivables                                                                              | <b>Subsidiaries</b>        |       | <b>12,230</b>     |              |
|                                                                                                           | Last Mile Direct Co., Ltd. | 99.99 | 12,230            | Market price |
|                                                                                                           |                            |       |                   |              |
| Advances                                                                                                  | <b>Subsidiaries</b>        |       | <b>6,453</b>      |              |
|                                                                                                           | Last Mile Direct Co., Ltd. | 99.99 | 6,453             | Market price |
|                                                                                                           |                            |       |                   |              |
| Deposit for media time for TV broadcasting                                                                | <b>Subsidiaries</b>        |       | <b>4,368,048</b>  |              |
|                                                                                                           | TVD Services Co., Ltd.     | 99.99 | 4,368,048         | Market price |
|                                                                                                           |                            |       |                   |              |
| Trade payables                                                                                            | <b>Subsidiaries</b>        |       | <b>6,848,294</b>  |              |
|                                                                                                           | TVD Shopping Co., Ltd.     | 65    | 493,864           | Market price |
|                                                                                                           | Last Mile Direct Co., Ltd. | 99.99 | 52,855            | Market price |
|                                                                                                           | TVD Services Co., Ltd.     | 99.99 | 6,301,575         | Market price |

|                        |                                      |       |                   |              |
|------------------------|--------------------------------------|-------|-------------------|--------------|
| Other account payables | <b>Subsidiaries</b>                  |       | <b>15,585,827</b> |              |
|                        | TVD Shopping Co., Ltd.               | 65    | 12,880,518        | Market price |
|                        | Last Mile Direct Co., Ltd.           | 99.99 | 15,451            | Market price |
|                        | TVD Services Co., Ltd.               | 99.99 | 2,503,858         | Market price |
|                        | TVD Broker Co., Ltd.                 | 99.99 | 186,000           | Market price |
|                        | <b>Related parties</b>               |       | <b>374,315</b>    |              |
|                        | Director                             |       | 374,315           |              |
|                        | <b>Accrued director remuneration</b> |       |                   |              |
|                        | Director                             |       | <b>4,000,000</b>  |              |
|                        |                                      |       |                   |              |

### Measures and procedures for the approval of related party transactions.

Concerning measures and procedures for the approval of related party transactions, the Company specifies that Executive or the stakeholder will not be able to participate in the approval of related item. In case that there is a related party transactions between the Company, or subsidiary companies with person who may have conflict of interest, stakeholder, or may have conflict of interest in future, the Audit Committee will consider necessity on the transaction, sensibility, and suitability on pricing of that item. Various conditions will be considered to be in accordance with normal commercial operations in the market, and price will be compared with other external person. In case that the Audit Committee has no prior experience in considering related transactions that may occur, the Company will arrange for person with special skill and experience such as auditor, or independent appraiser, or law firm, etc., that are independent from the Company and person who may have conflict of interest to give suggestion concerning the related transactions. Suggestions or recommendations from these persons with special skills will be used for decision making of the Audit Committee and/or the Company's Board of Directors and/or shareholders depending on the case. The Company also complies with rules and regulations of the Stock Exchange of Thailand and/or announcement of the Office of the Securities and Exchange Commission and/or accounting standard specified by the Association of Accounting Professions. After that, the Audit Committee will present to the Company's Board of Directors for consideration and/or shareholders for consideration and approval as appropriate. The Company will disclose items on related party transactions in the remark of the financial statements which have been reviewed by the Company's auditor.

### Policy or Trend on Related Party Transactions in Future

Future related party transactions will have to be reviewed in accordance with measures and procedures for approval as indicated in the Company's regulations as stated above. The Company's Board of Directors and Audit Committee are the administrators that the Company will proceed with its operations in accordance with laws on securities and stock market, regulations of the Stock Exchange of Thailand and/or announcement of the Office of the Securities and Exchange Commission and/or accounting standard specified by the Association of Accounting Professions concerning related transactions, including performance as stipulated in regulations on information disclosure on related party transactions, and on acquiring and distributing important assets of the Company or the subsidiary companies.



Management Discussion  
and Analysis on Financial Position  
and Operating Results



## Management Discussion and Analysis on Financial Position and Operating Results

### Overall Performance

TV Direct Public Company Limited (or “Company”) had been established in April 21, 1999 and in the beginning the Company operated the direct marketing business using media communication for direct presentation of products and services through the Direct Response Television in the free TV system in which consumers could purchase through the inbound call center. Later on, the Company had expanded the business into the distribution of products and services through the multichannel marketing. Moreover, the Company also distributed its products through the retail channel using the TV Direct Showcase, including the wholesale distribution of products to domestic and foreign customers. This also included contract on producing advertising media and procuring advertising air-time for customers as supplementary service. Hence, from business expansion into the distribution of products and services in various marketing channels, the Company’s sales volume had continuously increased. This had coupled with various marketing strategies that had been in operations in many areas such as; the selection of quality and variety of products by studying the requirement of various customer’s groups, products and services presentation that corresponded with customers’ life style, quick products delivery service, satisfaction guarantee for customers by offering the right to return products within 30 days after receiving, the below-the-line marketing activities to present products and services information to customers, and the importance of after sale service and building good relationship with customers. Hence, the Company’s sales figures gradually increased from its first year operation in business with sales revenue of only Baht 64 Million until in 2015, the Company and its subsidiaries had revenue from sales and services at Baht 3,040 Million.

In November 26, 2013, another Company called “TVD Shopping Co., Ltd.,” was setup for the purpose of product distribution through 24 hours television channel (TV Home Shopping) with the Company held 99.99% shares. This was to compete with foreign competitors and the starting of 24 hours television broadcasting technology. Then, on March 20, 2014, TVD Shopping Co., Ltd. increased its registered capital from Baht 50 Million to Baht 445 Million in order to serve its business ally “MOMO” which is the number one home shopping Company from Taiwan. The Company purchased its ordinary shares to increase the capital to Baht 239.85 Million so that the Company had shares in the TVD Shopping Co., Ltd. at 64.99% and “MOMO” from Taiwan had 34.99% shares. The Company also transferred some of its business in the TV Home Shopping to the TVD Shopping at amount of Baht 125 Million which was completed on June 26, 2014.

As of October 17, 2014, the Company has established the TVD Broker Co., Ltd. for the life insurance business and other business relating to the insurance business. The Company had shares at 99.99% holding and this is still in the process of waiting for the insurance registration from the Office of Insurance Commission.

As of December 30, 2016, the Company has invested in Last Mile Direct Company Limited (the former name is JML Direct (Thailand) Company Limited). The Company has shares at 99.99% holding.

#### a) Revenue

The Company and its subsidiaries had total revenues of Baht 3,040 Million in 2015 and Baht 3,402 Million in 2016, and details on revenue from sales and services including other revenues could be summarized as follows:

#### Revenue from Sales and Services

The Company and its subsidiaries' main revenue came from the distribution of products and services through the multichannel marketing. During 2015 - 2016, revenues from sales and services through the multichannel marketing of the Company and its subsidiaries can be summarized as follows:

| Revenues<br>from sales and services<br>as per marketing channel | 2015     |        |                       | 2016     |        |                       |
|-----------------------------------------------------------------|----------|--------|-----------------------|----------|--------|-----------------------|
|                                                                 | M. Baht  | %      | Growth<br>rate<br>(%) | M. Baht  | %      | Growth<br>rate<br>(%) |
| Television Marketing                                            | 1,495.28 | 49.18  | 61.52                 | 1,770.77 | 52.04  | 18.42                 |
| Direct Marketing                                                |          |        |                       |          |        |                       |
| - Outbound Call Center                                          | 395.82   | 13.02  | (22.56)               | 396.01   | 11.64  | 0.05                  |
| - Direct Response Printing                                      | 113.27   | 3.73   | (25.70)               | 138.27   | 4.06   | 22.07                 |
| - Websites                                                      | 70.75    | 2.33   | 42.41                 | 117.14   | 3.44   | 65.57                 |
| - Service Call Center                                           | 43.48    | 1.43   | (60.70)               | 59.47    | 1.75   | 36.79                 |
| - Direct Sale                                                   | 2.79     | 0.09   | (88.08)               | 0.00     | 0.00   | (100.00)              |
| Total Direct Marketing                                          | 626.11   | 20.59  | (26.11)               | 710.90   | 20.89  | 13.54                 |
| Conventional Marketing                                          |          |        |                       |          |        |                       |
| - Retailing                                                     | 366.82   | 12.06  | (12.95)               | 404.68   | 11.89  | 10.32                 |
| - Wholesaling                                                   | 101.77   | 3.35   | 2.70                  | 70.90    | 2.08   | (30.34)               |
| Total Conventional Marketing                                    | 468.58   | 15.41  | (9.97)                | 475.57   | 13.98  | 1.49                  |
| Services *                                                      | 424.98   | 13.98  | 95.90                 | 432.89   | 12.72  | 1.86                  |
| Others **                                                       | 25.54    | 0.84   | (37.31)               | 12.84    | 0.38   | (49.74)               |
| Total Revenue from sales and services                           | 3,040.49 | 100.00 | 19.18                 | 3,402.98 | 100.00 | 11.92                 |

\* Services mean service contract for producing advertising media and advertising air-time for customers, or ganizing other marketing activities.

\*\* Others mean revenues from products selling not through the main channel.



In 2015, revenues from sales and services was at Baht 3,040.49 Million, an increased amount comparing to Baht 2,551.2 Million in 2014 or at an increasing growth rate of 19.18%. Revenues from sales and services through the 3 main distribution channels consisting of; the television marketing showed 61.52% growth from the business expansion in the home shopping business of the subsidiaries; the direct marketing showed decreasing value of 11.66% from selling of the direct marketing business in the 4 countries, and the general marketing showed 24.64% growth from increased point of sales and additional product lines. Moreover, the Company and its subsidiaries also showed its services revenue at Baht 424.98 Million, an increased from last year of 120.06% as the Company received additional contracts for producing advertising media, and allocating advertising air-time for customers.

In 2016, revenues from sales and services was at Baht 3,402.97 Million, an increased amount comparing to Baht 2,040.48 Million in 2015 or at an increasing growth rate of 11.92%. Revenues from sales and services through the 3 main distribution channels consisting of; the television marketing showed 18.42% growth from the business expansion in the home shopping business of the subsidiaries; the direct marketing showed increasing value of 13.54%, and the general marketing showed 1.49% growth from additional product lines. Moreover, the Company and its subsidiaries also showed its services revenue at Baht 432.98 Million, an increased from last year of 1.86% as the Company received additional contracts for producing advertising media, and allocating advertising air-time for customers.

#### **Other Revenues**

In 2015, the Company and its subsidiaries had other revenue of Baht 12.32 Million which consisted of profit from investment in securities ready for sale at Baht 7.65 Million, interest received and others of Baht 4.67 Million.

In 2016, the Company and its subsidiaries had other revenue of Baht 32.30 Million which consisted of import duty refund at Baht 6.07 Million, interest received of Baht 8.22 Million and account payable that is not required to be paid at Baht 10.04 Million.

#### **b) Costs and Expenses**

The main expenses of the Company and subsidiaries consisted of cost of sales and services, selling expenses, administrative expenses, interest paid, and share of loss from investments in associated companies. From 2015 – 2016, the Company and subsidiaries had total expenses amounted to Baht 3,072.27 Million and Baht 3,384.28 Million respectively with the following details:

#### **Cost of Sales and Services and Gross Margin**

During 2015 – 2016, the Company and subsidiaries had cost of sales and services amounted to Baht 1,555.47 Million, and 1,785.44 Baht Million in which ratio of cost of sales and services against revenue from sales and services was at 51.15 % and 52.47 % respectively, or at the gross profit ratio of 48.85% and 47.53%.

From the intense decreasing purchasing power of consumer at the end of 2016, the Company decided to make sales of its remaining inventory using good promotion in order to enable consumers to purchase our products. This had 2 ways gain by exchanging products into cash and clearing inventory at the same time for new sales season in 2017. This was a strategy in protecting its market share during the highly competitive situation which resulted in increasing its cost comparing to previous year or making decreased gross profit of 2.68%. Hence, the Company and subsidiaries had policy to to control the gross profit ratio to be at the level of 55% - 60%. This was the result of realizing the importance of management control on cost of sales and services as the Company had proceeded with the following operations below:

(1) The Company had appointed the supply chain management in order to follow up on the product movements. The supply chain management had its duties in the weekly product acquisition plan, management of inventory and cooperated with various units such as sales, marketing, information technology, accounting, and finance departments, etc., in order to follow up on products movement, and data on type of products ordered from customers. This also included on the ordering of large quantity of products in order to receive maximum discount from the distributors.

(2) The Company had policy to purchase products directly from the distributors as much as possible in order to receive pricing advantage on product cost and constantly building good relationship with distributors.

(3) The Company realized the importance of product procurement and finding product sources with production cost that gave advantage over competitors. This was especially building the Company's own brand to differentiate itself from competitors clearly and having more margin than local products. Thus, management on mixture sales would create more efficient sales.

(4) The Company realized the importance on efficient inventory management system to control on sufficient inventory by not causing unnecessary management cost, and causing high storage cost. The supply chain management had to monitor product movements, and the Company had signed contract with JWD InfoLogistics Co., Ltd., for renting warehouse and manage the inventory. The JWD InfoLogistics Co., Ltd., would give services on inventory count, inventory management, and moving products from the inventory in preparation to load on to the Company's trucks that arrive at the warehouse. The Company's delivery trucks will take these goods to distribution centers as per Company's order.

(5) The Company had acquired new version of Oracle computer program for managing sale volume beside storage of accounting information, and this program was able to make data processing on purchasing orders of the Company from suppliers, purchasing orders from customers, inventory, etc. This helped on data collection on product movements in inventory so that the Company would know situation of the remaining inventory in different times and these data would be used on efficient inventory management.

**Selling and Administrative Expenses**

The Company and subsidiaries' selling and administrative expenses amounted to Baht 1,502.38 Million in 2015, and amounted to Baht 1,586.36 Million in 2016 which was at the ratio of total revenue from sales at 49.41% and 46.62 % respectively. The main selling and administrative expenses consisted of renting of advertising air-time and production cost of advertising media which was at the ratio of 39% – 40% of the selling and administrative expenses, and the employees cost was at the proportional ratio of 31% - 32% of selling and administrative cost.

In 2016, the Company and subsidiaries' selling and administrative expenses ratio decreased 2.79%, which was derived from cost control especially for the advertising airtime as the Company had stipulated as the main controlling plan for maximum efficiency during the event of Thailand's transformation from analogue to digital television broadcasting system.

**Financing Cost**

In 2015- 2016, the Company and subsidiaries had financing cost of Baht 18.45 Million and Baht 11.72 Million respectively. Most of the interest paid of the Company and subsidiaries were from using the financial limit on LC/TR which was the revolving credit facility types for foreign purchasing of finished products, interest expenses on long-term loans for investments on the fixed assets of the office, increasing sales representative, and increasing advertising media production had increased also.

**(c) Net Profit and Net Profit Ratio**

From the above operations, in 2015 - 2016 the Company and subsidiaries had net profit (loss) amounted to Baht (40.61) Million and Baht 14.36 million respectively. The increased net profit was due to increasing sale volume and efficiently control of expenses as per details already explained previously.

**Important items that were shown in the Company's financial statement**

In 2016, the Company had an important accounting transaction and realized as the accounting items in the Company's financial statements which was receiving of dividend from its subsidiaries amounted to Baht 71.62 Million.

### Return on Equity

The Company's return on equity was at -5.83% in 2015, and 2.64% in 2016 as in 2016 the Company paid dividend to shareholders which was at the dividend rates (calculated from the Company's financial statement) at 92.22%.

### Financial Position

#### (a) Assets

At the end of 2015 - 2016, the Company and subsidiaries had total assets of amount Baht 1,837.26 Million and Baht 1,681.36 Million respectively, and important assets of the Company and subsidiaries were inventory, land, buildings, and equipment, account receivables and other receivables, cash and cash equivalents. In 2016, ratio of the important assets and total assets was at 28.61%, 26.29 %, 8.38% and 9.82 % respectively. Then, details of important assets of the Company were as follows:

#### Account Receivables

The Company and subsidiaries had net other account receivables amounted to Baht 231.47 Million at the end of 2015 and amounted to Baht 141.79 Million at the end of 2016, and as in general majority of the Company's customers would pay in cash immediately after products delivery at 70% of revenues from sales and services.

However, the Company had account receivables from wholesaling with a type of customers such as department stores, modern trades, pharmaceutical shops, and service customers in which the Company had policy to give credit terms about 30 – 90 days.

| Overdue Period                                             | At Dec, 31 2015 |        | At Dec, 31 2016 |        |
|------------------------------------------------------------|-----------------|--------|-----------------|--------|
|                                                            | M. Baht         | %      | M. Baht         | %      |
| Not Overdue                                                | 89.78           | 51.04  | 71.48           | 54.52  |
| Overdue:                                                   |                 |        |                 |        |
| 1 – 30 days                                                | 46.82           | 26.62  | 19.92           | 15.19  |
| 31 - 60 days                                               | 3.45            | 1.96   | 3.2             | 2.44   |
| 61 – 90 days                                               | 0.95            | 0.54   | 1.32            | 1.01   |
| 91 – 180 days                                              | 1.88            | 1.07   | 2.53            | 1.93   |
| 181 – 365 days                                             | 5.10            | 2.90   | 4.05            | 3.09   |
| More than 365 days                                         | 27.91           | 15.87  | 28.61           | 21.82  |
| Account receivables before allowance for doubtful accounts | 175.89          | 100.00 | 131.11          | 100.00 |
| Less: Allowance for doubtful accounts                      | (24.79)         |        | (28.39)         |        |
| Less: Allowance for revaluation                            |                 |        |                 |        |
| Net Account Receivables                                    | 151.10          |        | 102.72          |        |

Account receivables in 2016 decreased from figure in 2015. Consideration on account receivables as per the overdue periods in the table above it could be seen that account receivables in the not overdue period of the Company and subsidiaries at the year ending of 2015 – 2016 had the proportional ratio of 51.04% and 54.52% against the account receivables respectively.

On policy of the allowance for doubtful accounts, the Company would made consideration into 2 cases

(1) Retail account receivables whether from the distribution through the television marketing, direct marketing through the TV Direct Showcase shops or through various digital media, the Company would make consideration on doubtful accounts as follows:

| Aging of Overdue Payment | Policy on consideration on allowance for doubtful accounts |
|--------------------------|------------------------------------------------------------|
| 1 – 30 days              | -                                                          |
| 31 – 60 days             | -                                                          |
| 61 – 90 days             | -                                                          |
| 91 – 180 days            | 50 %                                                       |
| Over 180 days            | 100 %                                                      |

(2) In case account receivables from wholesaling, foreign sale, or from services, if the retail account receivables had the debts of not more than Baht 10,000 per case, the Company would consider setting allowance for doubtful accounts by using the same procedures as retail account receivables as stated before, but if the debt value of account receivables was more than Baht 10,000 the Company would consider on the repayment ability on case by case basis.

At the end of 2015 - 2016, the Company had set the allowance for doubtful accounts at Baht 24.79 Million and at Baht 28.38 Million respectively. This could be seen that the Company had set the allowance for doubtful accounts at approximate value to the overdue accounts over 180 days because the Company did not set the allowance for doubtful accounts of some account receivables from wholesale and from some services.

### Inventory

At the end of 2015- 2016, the Company and subsidiaries had inventory before allowance for obsolete products and allowance for inventory value amounted to Baht 413.50 Million and Baht 481.04 Million respectively as most of the remaining inventory was finished products and product during transportation which had proportional ratio against the total inventory at 90.71 % and 91.58% respectively with the following details.

|                                                                                       | At December 31<br>2015 |        | At December<br>2016 |        |
|---------------------------------------------------------------------------------------|------------------------|--------|---------------------|--------|
|                                                                                       | M. Baht                | %      | M. Baht             | %      |
| Finished Products                                                                     | 387.20                 | 90.71  | 452.15              | 91.58  |
| Products during Transportation                                                        | 35.84                  | 8.40   | 37.3                | 7.55   |
| Consumable materials                                                                  | 3.80                   | 0.89   | 4.27                | 0.86   |
| Total                                                                                 | 426.85                 | 100.00 | 493.72              | 100.00 |
| Less: Allowance for obsolete and<br>slow moving – finished products                   | (13.11)                |        | (12.39)             |        |
| Less: Allowance products with cost<br>higher than net received – finished<br>products | (0.23)                 |        | (0.29)              |        |
| Inventory - net                                                                       | 413.50                 |        | 481.04              |        |

Most of the remaining inventories of the Company and subsidiaries were the finished products ready for distribution and products during transportation as the finished and transporting products increased in volume in accordance with constantly increasing sales. As the Company had increased its marketing distribution channel, hence remaining inventory had to be planned to have enough quantity and covering varieties of products categories in correspondence with customers' demand. As the product ordering lead time required duration of 3 months, the Company had to keep at least 3 months of inventory to support sales, thus resulting in high level of inventory. However, the Company realized the importance of efficient inventory management by appointing the supply chain management to monitor product movements. The supply chain management had its duties in the product acquisition plan, management of inventory and cooperated with various units such as sales, marketing, information technology, accounting, and finance departments, etc., in order to follow up on products' movements, and data on type of products ordered from customers. The obtained information would be used to evaluate product requirement of customers and for suitable planning of ordering plan on various products.

At the end of 2015 – 2016, the Company had made allowance for inventory value amounted to Baht 13.34 Million and Baht 12.39 Million, while ratio of the inventory value against total inventory was at 3.12 % and 2.57 % respectively.

The Company policy in setting allowance for declining in inventory value can be summarized as follows:

(1) In case that the product has no expiry date such as exercising equipment, household accessories, etc. consideration will be made in setting the declining in inventory value from turnover ratio of the product. If the product turnover ratio is more than 1.5 years, the declining in inventory value will decreased 50% and product must be in good condition and ready for marketing in the suitable period.

(2) In case of the following conditions such as

(2.1) Expired products such as cosmetic, and supplementary food products, etc.

(2.2) Outdated products such as video tape, and mobile phone, etc.

(2.3) Obsolete products such as broken, damaged, or non-functional products.

The declining inventory allowance values of these products will be set at 100% and ready to be destroyed as per the Revenue Department's regulation.

Apart from consideration in setting the declining inventory value of the outdated and slow moving product, consideration will also be made in setting allowance value of product with cost higher than the selling price. If product cost is higher than expected selling price, the Company will set allowance value of product with cost higher than the selling price equals to the cost of that product.

Policy in setting declining inventory allowance values of these products is suitable and appropriate with all products such as

a) In case of product with no expiry date even though the inventory turnover rate is more than 1.5 years but after the product has been re-advertised and re-marketing for new sale promotion (during the suitable period of time), the product inventory turnover rate will be lower than 1.5 years as the Company's main business is to sell products through the advertising media. The financial report from the auditor will show that allowance for inventory value has not been increase accordingly. Hence, products with no expiry date of the Company and subsidiaries have ratio of 81.83% and 83.37% of the total inventory value as at the ending of 2011 and at the end of 1st quarter of 2012 respectively.

**Other Current Assets**

At the end of 2015- 2016, the Company and subsidiaries had net other current assets amounted to Baht 58.87 Million and Baht 27.15 Million respectively with the following details:

|                                                     | At December 31,<br>2015 |         | At December 31,<br>2016 |         |
|-----------------------------------------------------|-------------------------|---------|-------------------------|---------|
|                                                     | %                       | M. Baht | %                       | M. Baht |
| Other Receivables                                   | 54.28                   | 73.38   | 21.51                   | 49.63   |
| Prepaid sales Tax                                   | 2.95                    | 3.99    | 2.6                     | 6.00    |
| Input tax – not due                                 | 0.9                     | 1.22    | 2.26                    | 5.21    |
| Prepaid Expenses                                    | 8.81                    | 11.91   | 7.6                     | 17.54   |
| Advances                                            | 2.1                     | 2.84    | 4.44                    | 10.24   |
| Receivables from exchanged of products and services | 4.93                    | 6.66    | 4.93                    | 11.38   |
| Total                                               | 73.97                   | 100.00  | 43.34                   | 100.00  |
| Less: Allowance for doubtful debts                  | (15.10)                 |         | (16.19)                 |         |
| Other Current Assets - Net                          | 58.87                   |         | 27.15                   |         |

**Land, Building and Equipment**

The Company and subsidiaries had lands, buildings and equipment at net amount of Baht 391.76 Million and Baht 442.81 Million at the end of 2015 - 2016 respectively which had ratio against total assets at 21.28% and 26.29 % respectively.

**(b) Liquidity****Cash Flow**

In 2015, the Company and subsidiaries had net cash flow for operating activities of Baht 252.72 Million.

In 2016, the Company and subsidiaries had net cash flow for operating activities of Baht 32.68 Million which was mainly due to faster payment of account payables in order to increase bargaining power and reserve for refund of insurance from insurance broker business.

Net cash flow from the investment activities according to the cash flow statement showed 3 important investments activities as follows;

- 1) Investment in the office decoration and branch expansion at Baht 30 Million
- 2) Investment in the information technology system to serve growing business at Baht 12 Million.
- 3) Temporary investment in the domestic investment fund to generate return



**Liquidity Ratio**

At the end of 2015 - 2016, the Company and subsidiaries had liquidity ratio of 1.23 times and 1.13 times respectively, and quick liquidity ratio was equal to 0.78 times and 0.55 times respectively. The cause that had made much different between the quick liquidity ratio and the liquidity ratio was because the Company and subsidiaries had high inventory ratio versus current asset ratio at the rate of 36.28 % and 50.79% respectively. The Company did not encounter with liquidity and current liabilities payment.

Consideration on the cash cycle showed decreasing trend, as the Company and subsidiaries had cash cycle at 51 days in 2015, and 36 days in 2016. Decreasing duration of cash cycle was from the following:

- (1) The average debt collection equalled to 17 days in 2015 and equalled to 16 days in 2016.
- (2) The average sale duration of the Company and subsidiaries in 2015 was 99 days, and equalled to 85 days in 2016.

|                                 | 2015  | 2016  |
|---------------------------------|-------|-------|
| Liquidity ratio (time)          | 1.23  | 1.13  |
| Quick Liquidity Ratio (time)    | 0.78  | 0.55  |
| Average Collection Period (day) | 17.86 | 16.46 |
| Product Sale Duration (day)     | 99.47 | 85.80 |
| Debt Payment Period (day)       | 66.25 | 65.68 |
| Cash Cycle (day)                | 51.08 | 36.58 |

**(c) Sources of Funds****Liabilities**

At the end of 2015 - 2016, the Company and subsidiaries total liabilities amounted to Baht 973.87 Million and 865.39 Baht Million respectively. Consideration on the liabilities structure of the Company and subsidiaries showed that most liabilities were the current liabilities for normal business operations of the Company and subsidiaries. Important current liabilities consisted of short term loans from financial institutions at 38.23 % of total liabilities at the end of 2015, and at 45.71 % of total liabilities at the end of 2016 which came mainly from the promissory note (P/N) and LC/TR for ordering domestic and foreign products. Moreover, current liabilities also included account payables and other liabilities were at 47.30 % of total liabilities at the end of 2015, and at 47.85 % of total liabilities at the end of 2016.

Hence, total liabilities of the Company and subsidiaries decreased as most liabilities of the Company were from trade account payables and other payables, overdraft and short term loan from financial institution as stated above.

As at December 31, 2015, and at December 31, 2016 the Company had DSCR ratio and debt to equity ratio as follows:

|                                    | DSCR*                     |                           | Debt to Equity Ratio ** |                         |
|------------------------------------|---------------------------|---------------------------|-------------------------|-------------------------|
|                                    | Dec. 31, 2015             | Dec.31, 2016              | Dec. 31, 2015           | Dec. 31, 2016           |
| Financial Statement of the Company | 0.39 time                 | 3.44 time                 | 0.94 time               | 0.84 time               |
| Consolidated Financial Statement   | 1.47 time                 | 3.79 time                 | 1.42 time               | 1.32 time               |
| Term of Loan                       | Not less than<br>1.5 time | Not less than<br>1.5 time | Not less than<br>2 time | Not less than<br>2 time |

Remark:

- 1) DSCR was calculated from profit before depreciation, financing cost, and income tax /( long term loan with due date of one year from previous year + interest paid.)
- 2) Debt to equity ratio calculated from total liabilities / shareholders' equity.

As the Company showed the operating loss, the DSCR thus decreased, but this had no impact towards lending terms as it had binding condition with only one bank and at 3% of total loan in which negotiation had already been made with the bank.

#### **Shareholders' Equity**

At the end of 2015, the Company and subsidiaries showed the shareholders' equity at Baht 687.27 Million, a decrease amount of Baht 29.7 Million from 2015.

#### **Adequacy of the Capital Structure**

As at December 31, 2015 and 2016, the Company and subsidiaries had debt to equity ratio at 1.42 times and 1.32 times respectively which was in a relatively low ratio. The capital was adequate enough to operate business with low risk of nonpayment on liabilities. The capital structure is suitable for operating the Company's business.

## **Indicator on measurement of non-financial performance of the Company**

### **Level of customer satisfaction**

The Company realizes that generating care and building customer satisfaction are the important matters. Hence, the customer relation unit has been created as a business unit to be responsible for the aftersales services starting from giving advises on usage of product and services, receiving suggestions and proceeding as per the customer's need.

In the past year, the service system had been developed to its 98.7% service capability for the phone-in customer and was able to return all call within the same day. For call that could not be immediately responded, the customer relation department would call back all calls within the same day. It is considered that the 100% of customer would receive same day service.

From all receiving notifications, 1.45% of customers was not satisfy and wanted to return goods, or at 0.28% of total ordering customers, or from all customers who ordered products and services 99.70% were satisfied with our services.



Board of Directors' Report



## Board of Directors' Report

Dear Shareholders,  
TV Direct Public Company Limited

The Board of Director is responsible for the reporting of the consolidated financial statements on the company and subsidiaries, contents of which have been consistently prepared with respect to the Thai generally accepted accounting standards where prudence are duly exercised and information disclosed in the notes accompanying the statements.

The Annual General Meeting of Shareholders Year 2011 has appointed the Audit Committee comprising independent directors who are not involved in the day-to-day operations to take responsibility over the quality of the financial reports and internal controls, which the Audit Committee's opinion was described in Audit Committee Report shown in this annual report.

The Board of Director has considered the consolidated financial statements of 2016 on the company and subsidiaries and concurs with the Executives and the authorized auditors that the company's the financial position and the result of operation presents fairly in conformity with generally accepted accounting principles.



(Mr. Tada Charukitpaisarn)  
Chairman of the Board

(Mr. Songpol Shanmatkit)  
Director / Chief Executive Officer

## Audit Committee Report

To: All Shareholders  
TV Direct Public Company Limited

For the fiscal year 2016, the Audit Committee performed its duties in accordance with the Audit Committee Charter which had been approved by the Company's Board of Directors, and encouraged to enhance good corporate governance. This was to ensure transparency, ethics, and code of conduct which generated confidence towards shareholders, and other stakeholders. The financial statements of 2015 had been co-reviewed by the Executives and Auditors, and the Audit Committee has considered and concurs with the authorized auditors and the Executives that the Company's financial statements and financial data disclosure are complete, sufficient and appropriate and meet the generally accepted accounting standard. The Company's internal control system and risk management were appropriate and no substantial defect had been found. Moreover, the Company's operations were legally binding with related laws on subjects that might have conflict of interest. The Company's Audit Committee had the opinion that the stated subjects had been operated equitably in accordance with the market price and Fair and at Arm's Length Basis.

The Audit Committee had reviewed and agreed with the suitability on qualification, independence, auditing cost for internal control system, performance, and service readiness of the internal auditor from external source as proposed by the Executives. Hence, the Audit Committee appointed Quantum Point Consulting Co., Ltd. as the Company's internal auditor for the year 2017.

Moreover, the Audit Committee had also reviewed and agreed with the suitability on qualification, independence, accounting cost, performance, and service readiness of the external auditor as proposed by the Executives. Hence, the Audit Committee proposed to the Company's Board of Directors for the appointment of Dharmniti Auditing Co., Ltd. as the Company's auditor in 2017 which will be submitted for resolution in the next shareholders meeting.

In 2016, the Audit Committee had 8 meetings with details of attendance on members of the Audit Committee are as follows:

| Name                               | Number of Meeting / Total Meeting |
|------------------------------------|-----------------------------------|
|                                    | 2016                              |
| 1. Mr. Tada Charukitpaisarn        | 8/8                               |
| 2. Asst. Prof. Anucha Chintakanond | 8/8                               |
| 3. Mr. Suthep Suebsantiwongse      | 7/8                               |

Moreover, the Audit Committee has arranged for the auditor and the internal auditor to exchange their information to increase the efficiency of their audition. In the past year, the Audit Committee has officially arranged meeting with the auditor and the internal auditor without present of the management.

The Audit Committee performed as per the assigned duties and responsibilities by using knowledge, capability as well as sufficient cautiousness, and freedom without any limitation in receiving information from Executives, employees, and related persons. This included giving various suggestions and recommendation for all stakeholders equally. Thus, performing its duties would be accomplished as per assignment from the Company's Board of Directors.

On the overall summarization, the Audit Committee concluded that the Company's Board of Directors as well as Executives, and the Company's Executive Committee were ethical and committed in performing their duties under the governance policy with efficiency, transparency and reliability. This also included sufficient risk management policy and proper internal system suitable to the operations.



(Mr. Tada Charukitpaisarn)  
Chairman of the Audit Committee



# Financial Statements





## INDEPENDENT AUDITOR'S REPORT

To the shareholders and the Board of Directors of TV Direct Public Company Limited

### My opinion

In my opinion, the consolidated financial statements of TV Direct Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

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

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | How my audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Valuation of investments in subsidiaries</b></p> <p>Refer to note 2.3 (Accounting policies) and note 14 (Investments in subsidiaries (net)).</p> <p>The Company provided an allowance for impairment for investments in subsidiaries of Baht 108 million for investment in TVD Services Co., Ltd. Although Last Mile Direct Co., Ltd. and TVD Broker Co., Ltd., other subsidiaries generated loss and also had accumulated loss as at 31 December 2016, the management considered the allowance for impairment to be unnecessary because they were temporary losses.</p> <p>I focused on this area because the valuation model was subjective and it involved judgements by management in relation to the business plan and operating cash flows in the future.</p> | <p>I evaluated the management's assessment of the valuation of investments in subsidiaries by understanding and challenging management's business plan and estimation of future operating cash flows, as follows:</p> <p>For Last Mile Direct Co., Ltd., the management has changed its business plan from distributing household equipment in the department store to providing a delivery service for products and parcels. Management provided a business plan with operating cash flows for year 2017, and expects to receive profits from the operation.</p> <p>For TVD Broker Co., Ltd., this subsidiary is currently in the initial start-up of business. However, the management provided operating cash flows for year 2017 and expects to receive the profits from the operation.</p> <p>I compare future business plan with the past information, economics and trend of business in the same industry.</p> <p>From our procedures, I found that the management's assessment for allowance for impairment is appropriate.</p> |

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

#### Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company'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 the directors either intend to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and Company's financial reporting process.

#### Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and Company'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 and separate 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 and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.



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Krit Chatchavalwong  
Certified Public Accountant (Thailand) No. 5016  
Bangkok  
23 February 2017

**TV Direct Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2016**

|                                               | Notes | Consolidated         |                      | Separate             |                      |
|-----------------------------------------------|-------|----------------------|----------------------|----------------------|----------------------|
|                                               |       | financial statements |                      | financial statements |                      |
|                                               |       | 2016                 | 2015                 | 2016                 | 2015                 |
|                                               |       | Baht                 | Baht                 | Baht                 | Baht                 |
| <b>Assets</b>                                 |       |                      |                      |                      |                      |
| <b>Current assets</b>                         |       |                      |                      |                      |                      |
| Cash and cash equivalents                     | 7     | 164,898,584          | 254,118,634          | 82,527,630           | 133,499,686          |
| Held-to-maturity investments                  | 8     | 142,204,072          | 213,914,464          | -                    | -                    |
| Trade and other accounts receivable (net)     | 9     | 141,789,845          | 231,473,772          | 96,085,530           | 180,509,705          |
| Short-term loan to a subsidiary company       | 37 d) | -                    | -                    | 4,800,000            | 4,800,000            |
| Inventories (net)                             | 10    | 481,043,115          | 413,501,130          | 464,695,700          | 391,310,834          |
| Deposits for goods purchases                  |       | 10,599,129           | 19,890,023           | 10,599,129           | 19,890,023           |
| Value added tax (net)                         | 11    | 6,742,286            | 6,734,529            | 4,996,764            | 6,503,178            |
| Other current assets                          |       | 121,953              | 154,204              | 121,953              | 154,204              |
| <b>Total current assets</b>                   |       | <b>947,398,984</b>   | <b>1,139,786,756</b> | <b>663,826,706</b>   | <b>736,667,630</b>   |
| <b>Non-current assets</b>                     |       |                      |                      |                      |                      |
| Restricted deposits at financial institutions | 12    | 44,081,000           | 44,081,000           | 40,530,000           | 40,530,000           |
| Long-term loan to a subsidiary company        | 37 e) | -                    | -                    | -                    | 4,000,000            |
| Income tax refundable                         |       | 25,417,017           | 22,392,177           | 10,654,561           | 14,814,233           |
| Available-for-sale investments                | 13    | 66,099,223           | 97,458,588           | -                    | -                    |
| Investments in subsidiaries (net)             | 14    | -                    | -                    | 383,859,220          | 353,099,220          |
| Investment properties (net)                   | 15    | -                    | -                    | 7,219,949            | 9,217,454            |
| Property, plant and equipment (net)           | 16    | 442,817,039          | 391,760,017          | 266,080,492          | 295,580,678          |
| Intangible assets (net)                       | 17    | 69,593,225           | 62,591,614           | 38,553,175           | 35,994,425           |
| Deferred tax assets (net)                     | 18    | 47,651,095           | 42,817,819           | 19,111,109           | 16,518,531           |
| Other non-current assets                      | 19    | 38,308,011           | 36,372,181           | 37,974,659           | 36,359,581           |
| <b>Total non-current assets</b>               |       | <b>733,966,610</b>   | <b>697,473,396</b>   | <b>803,983,165</b>   | <b>806,114,122</b>   |
| <b>Total assets</b>                           |       | <b>1,681,365,594</b> | <b>1,837,260,152</b> | <b>1,467,809,871</b> | <b>1,542,781,752</b> |

Director \_\_\_\_\_ Director \_\_\_\_\_

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

**TV Direct Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2016**

|                                                                             |       | Consolidated         |             | Separate             |             |
|-----------------------------------------------------------------------------|-------|----------------------|-------------|----------------------|-------------|
|                                                                             |       | financial statements |             | financial statements |             |
|                                                                             |       | 2016                 | 2015        | 2016                 | 2015        |
| Notes                                                                       |       | Baht                 | Baht        | Baht                 | Baht        |
| Liabilities and Shareholders' Equity                                        |       |                      |             |                      |             |
| Current liabilities                                                         |       |                      |             |                      |             |
| Bank overdrafts and short-term borrowings from financial institutions (net) | 20    | 384,781,342          | 372,376,566 | 384,781,342          | 372,376,566 |
| Short-term loan from a subsidiary company                                   | 37 f) | -                    | -           | -                    | 10,000,000  |
| Short-term loan from a related party                                        | 37 g) | -                    | 3,200,000   | -                    | -           |
| Trade and other accounts payable                                            | 21    | 402,931,756          | 460,695,325 | 232,378,275          | 265,706,906 |
| Current portions of                                                         |       |                      |             |                      |             |
| - long-term borrowings from financial institutions                          | 22    | 25,431,177           | 24,055,504  | 25,431,177           | 24,055,504  |
| - Liabilities under finance lease and hire purchase agreement (net)         | 23    | 3,811,534            | 9,387,475   | 1,338,149            | 4,620,901   |
| Provision for repayment to insurance companies                              |       | 8,957,499            | 34,683,018  | -                    | 22,273,751  |
| Accrued income tax                                                          |       | 3,330,936            | 11,492,808  | -                    | -           |
| Value added tax (net)                                                       | 11    | 1,877,166            | 2,884,704   | -                    | -           |
| Other current liabilities                                                   | 24    | 9,269,661            | 8,974,870   | 5,403,280            | 6,706,717   |
| Total current liabilities                                                   |       | 840,391,071          | 927,750,270 | 649,332,223          | 705,740,345 |
| Non-current liabilities                                                     |       |                      |             |                      |             |
| Long-term borrowings from financial institutions                            | 22    | 3,763,315            | 27,370,541  | 3,763,315            | 27,370,541  |
| Liabilities under finance lease and hire purchase agreement (net)           | 23    | -                    | 3,315,603   | -                    | 1,249,353   |
| Employee benefit obligations                                                | 25    | 18,466,329           | 12,364,144  | 13,114,634           | 11,120,719  |
| Other non-current liabilities                                               |       | 2,778,167            | 3,075,500   | 2,778,167            | 3,075,500   |
| Total non-current liabilities                                               |       | 25,007,811           | 46,125,788  | 19,656,116           | 42,816,113  |
| Total liabilities                                                           |       | 865,398,882          | 973,876,058 | 668,988,339          | 748,556,458 |

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

**TV Direct Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2016**

|                                                            |    | Consolidated         |               | Separate             |               |
|------------------------------------------------------------|----|----------------------|---------------|----------------------|---------------|
|                                                            |    | financial statements |               | financial statements |               |
|                                                            |    | 2016                 | 2015          | 2016                 | 2015          |
| Notes                                                      |    | Baht                 | Baht          | Baht                 | Baht          |
| Liabilities and Shareholders' Equity (Cont'd)              |    |                      |               |                      |               |
| Shareholders' Equity                                       |    |                      |               |                      |               |
| Share capital                                              | 27 |                      |               |                      |               |
| Authorised share capital                                   |    |                      |               |                      |               |
| 682,500,070 ordinary shares of par Baht 0.50 each          |    | 341,250,035          | 341,250,035   | 341,250,035          | 341,250,035   |
| Issued and fully paid-up share capital                     |    |                      |               |                      |               |
| 650,293,350 ordinary shares of par Baht 0.50 each          |    | 325,146,675          | 324,994,222   | 325,146,675          | 324,994,222   |
| Share premium account on issue of share                    |    | 422,995,715          | 465,065,524   | 422,995,715          | 465,065,524   |
| Retained earnings (deficits)                               |    |                      |               |                      |               |
| Appropriated - Legal reserve                               | 29 | 3,802,569            | 24,390,707    | 3,802,569            | 24,390,707    |
| Unappropriated                                             |    | (142,374,888)        | (174,496,856) | 36,890               | (67,064,842)  |
| Other components of equity                                 |    |                      |               |                      |               |
| Gain on land revaluation (net)                             |    | 46,839,683           | 46,839,683    | 46,839,683           | 46,839,683    |
| Gain on measurement of                                     |    |                      |               |                      |               |
| available-for-sale investments (net)                       | 13 | 191,167              | 481,537       | -                    | -             |
| Surplus on change in investment proportion in subsidiaries | 14 | 978,802              | -             | -                    | -             |
| Total parent's equity                                      |    | 657,579,723          | 687,274,817   | 798,821,532          | 794,225,294   |
| Non-controlling interests                                  | 30 | 158,386,989          | 176,109,277   | -                    | -             |
| Total shareholders' equity                                 |    | 815,966,712          | 863,384,094   | 798,821,532          | 794,225,294   |
| Total liabilities and shareholders' equity                 |    | 1,681,365,594        | 1,837,260,152 | 1,467,809,871        | 1,542,781,752 |

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

**TV Direct Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2016**

|                                                                | Notes | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|----------------------------------------------------------------|-------|--------------------------------------|----------------------|----------------------------------|----------------------|
|                                                                |       | 2016<br>Baht                         | 2015<br>Baht         | 2016<br>Baht                     | 2015<br>Baht         |
| Revenues from sales and services                               |       | 3,402,978,910                        | 3,040,488,608        | 2,289,201,523                    | 2,116,028,190        |
| Cost of sales and services                                     |       | (1,785,441,439)                      | (1,555,472,696)      | (1,100,638,683)                  | (1,008,875,841)      |
| <b>Gross profit</b>                                            |       | <b>1,617,537,471</b>                 | <b>1,485,015,912</b> | <b>1,188,562,840</b>             | <b>1,107,152,349</b> |
| Gain on disposal of investment in subsidiaries                 |       | -                                    | 7,720,798            | -                                | -                    |
| Other income                                                   | 31    | 32,305,884                           | 12,322,497           | 140,962,868                      | 69,021,550           |
| <b>Profit before expense</b>                                   |       | <b>1,649,843,355</b>                 | <b>1,505,059,207</b> | <b>1,329,525,708</b>             | <b>1,176,173,899</b> |
| Selling expenses                                               |       | (1,282,193,137)                      | (1,241,316,386)      | (1,026,939,789)                  | (1,045,949,139)      |
| Administrative expenses                                        |       | (304,368,549)                        | (261,070,566)        | (242,629,678)                    | (193,874,026)        |
| Other expenses                                                 |       | (1,434)                              | (36,750)             | -                                | -                    |
| Other gain (loss)                                              | 32    | (575,543)                            | (96,862)             | (594,717)                        | 19,001,378           |
| Finance costs - interest expense                               | 34    | (11,719,364)                         | (18,454,243)         | (11,388,471)                     | (17,855,188)         |
| <b>Profit (loss) before income tax</b>                         |       | <b>50,985,328</b>                    | <b>(15,915,600)</b>  | <b>47,973,053</b>                | <b>(62,503,076)</b>  |
| Income tax income (expense)                                    | 35    | (11,870,940)                         | 4,171,188            | 1,365,597                        | 17,999,133           |
| <b>Profit (loss) for the period</b>                            |       | <b>39,114,388</b>                    | <b>(11,744,412)</b>  | <b>49,338,650</b>                | <b>(44,503,943)</b>  |
| <b>Other comprehensive income:</b>                             |       |                                      |                      |                                  |                      |
| Items that will be reclassified subsequently to profit or loss |       |                                      |                      |                                  |                      |
| subsequently to profit or loss                                 |       |                                      |                      |                                  |                      |
| Gain (loss) on revalued of land                                |       | -                                    | 26,904,114           | -                                | 26,904,114           |
| Change in value of available-for-sale investment               | 13    | (574,192)                            | (226,203)            | -                                | -                    |
| Currency translation differences                               |       | -                                    | 1,180,981            | -                                | -                    |
| Income tax relating to items that will be                      |       |                                      |                      |                                  |                      |
| reclassified subsequently to profit or loss relating to        |       |                                      |                      |                                  |                      |
| • gain on revalued of land                                     |       | -                                    | (5,380,823)          | -                                | (5,380,823)          |
| • change in value of available-for-sale investments            |       | 114,838                              | 45,241               | -                                | -                    |
| <b>Other comprehensive income for the year, net of tax</b>     |       | <b>(459,354)</b>                     | <b>22,523,310</b>    | <b>-</b>                         | <b>21,523,291</b>    |
| <b>Total comprehensive income for the year</b>                 |       | <b>38,655,034</b>                    | <b>10,778,898</b>    | <b>49,338,650</b>                | <b>(22,980,652)</b>  |
| <b>Profit (loss) attributable to:</b>                          |       |                                      |                      |                                  |                      |
| Owners of the parent                                           |       | 14,358,886                           | (40,613,765)         | 49,338,650                       | (44,503,943)         |
| Non-controlling interests                                      |       | 24,755,502                           | 28,869,353           | -                                | -                    |
|                                                                |       | <b>39,114,388</b>                    | <b>(11,744,412)</b>  | <b>49,338,650</b>                | <b>(44,503,943)</b>  |
| <b>Comprehensive income (loss) attributable to:</b>            |       |                                      |                      |                                  |                      |
| Equity holders of the parent                                   |       | 14,068,516                           | (17,983,031)         | 49,338,650                       | (22,980,652)         |
| Non-controlling interests                                      |       | 24,586,518                           | 28,761,929           | -                                | -                    |
|                                                                |       | <b>38,655,034</b>                    | <b>10,778,898</b>    | <b>49,338,650</b>                | <b>(22,980,652)</b>  |
| <b>Earnings (loss) per share</b>                               |       |                                      |                      |                                  |                      |
| Basic earnings (loss) per share from continuing operation      | 36    | 0.02209                              | (0.06248)            | 0.07589                          | (0.06847)            |

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



**TV Direct Public Company Limited**  
**Statement of Changes in shareholders' Equity**  
**For the year ended 31 December 2016**

| Consolidated financial statements                        |                                        |               |                              |                            |                                |                                                     |                                  |                            |             |                                                                       |                            |                            |
|----------------------------------------------------------|----------------------------------------|---------------|------------------------------|----------------------------|--------------------------------|-----------------------------------------------------|----------------------------------|----------------------------|-------------|-----------------------------------------------------------------------|----------------------------|----------------------------|
| Notes                                                    | Attributable to owners of the parent   |               |                              |                            |                                |                                                     |                                  |                            |             |                                                                       |                            |                            |
|                                                          | Other components of equity             |               |                              |                            |                                |                                                     |                                  |                            |             |                                                                       |                            |                            |
|                                                          | Retained earnings (deficits)           |               |                              | Other comprehensive income |                                |                                                     | Loss from business combination   |                            |             | Surplus (discount) on change in portion of investment in subsidiaries |                            |                            |
|                                                          | Issued and fully paid-up share capital | Share premium | Appropriated - legal reserve | Unappropriated             | Gain on land revaluation (net) | Measurement of available-for-sale investments (net) | Translating financial statements | under common control (net) |             |                                                                       | Total owners of the parent | Non-controlling interests  |
|                                                          |                                        |               |                              |                            |                                |                                                     |                                  |                            |             |                                                                       |                            | Total shareholders' equity |
| <b>Beginning balance as at 1 January 2015</b>            | 324,994,222                            | 465,065,524   | 24,390,707                   | (118,106,574)              | 25,318,392                     | 508,738                                             | 250,108                          | (11,687,145)               | (4,089,372) | 708,722,830                                                           | 160,010,178                | 868,732,858                |
| <b>Changes in shareholder's equity</b>                   |                                        |               |                              |                            |                                |                                                     |                                  |                            |             |                                                                       |                            |                            |
| Change in investment proportion in subsidiaries          | -                                      | -             | -                            | -                          | -                              | -                                                   | -                                | -                          | -           | -                                                                     | (1,169,820)                | (1,169,820)                |
| Disposal of investment in subsidiaries                   | -                                      | -             | -                            | (17,776,517)               | -                              | -                                                   | (1,464,832)                      | 11,687,145                 | 4,089,372   | (1,464,832)                                                           | 2,506,961                  | 1,042,159                  |
| Dividends payment                                        | -                                      | -             | -                            | -                          | -                              | -                                                   | -                                | -                          | -           | -                                                                     | (14,000,001)               | (14,000,001)               |
| Total comprehensive income (loss) for the year           | -                                      | -             | -                            | (40,613,766)               | 21,523,291                     | (107,201)                                           | 1,214,644                        | -                          | -           | (17,983,031)                                                          | 28,761,929                 | 10,778,898                 |
| <b>Closing balance as at 31 December 2015</b>            | 324,994,222                            | 465,065,524   | 24,390,707                   | (174,496,856)              | 46,839,683                     | 481,537                                             | -                                | -                          | -           | 687,274,817                                                           | 176,109,277                | 863,384,094                |
| <b>Changes in shareholder's equity for the year 2016</b> |                                        |               |                              |                            |                                |                                                     |                                  |                            |             |                                                                       |                            |                            |
| Change in investment proportion in subsidiaries          | -                                      | -             | -                            | -                          | -                              | -                                                   | -                                | -                          | 978,802     | 978,802                                                               | (3,738,802)                | (2,760,000)                |
| Warrant exercised                                        | 452,453                                | 604,326       | -                            | -                          | -                              | -                                                   | -                                | -                          | -           | 746,779                                                               | -                          | 756,779                    |
| Deduction of deficits                                    | -                                      | (42,674,135)  | (24,390,707)                 | 67,064,842                 | -                              | -                                                   | -                                | -                          | -           | -                                                                     | -                          | -                          |
| Dividends payment                                        | -                                      | -             | -                            | (45,499,191)               | -                              | -                                                   | -                                | -                          | -           | (45,499,191)                                                          | (38,570,004)               | (84,069,195)               |
| Legal reserve                                            | -                                      | -             | 3,802,569                    | (3,802,569)                | -                              | -                                                   | -                                | -                          | -           | -                                                                     | -                          | -                          |
| Total comprehensive income (loss) for the year           | -                                      | -             | -                            | 14,358,868                 | -                              | (290,370)                                           | -                                | -                          | -           | 14,068,516                                                            | 24,586,518                 | 38,655,034                 |
| <b>Closing balance as at 31 December 2016</b>            | 325,146,675                            | 422,996,715   | 3,802,569                    | (142,374,888)              | 46,839,683                     | 191,167                                             | -                                | -                          | 978,802     | 657,579,723                                                           | 158,386,989                | 815,966,712                |

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

**TV Direct Public Company Limited**  
**Statement of Changes in shareholders' Equity (Cont'd)**  
**For the year ended 31 December 2016**

|                                                      |                                              | Separate financial statements |                                 |                |                                        |              |
|------------------------------------------------------|----------------------------------------------|-------------------------------|---------------------------------|----------------|----------------------------------------|--------------|
| Notes                                                | Issued and<br>fully paid-up<br>share capital | Share<br>premium              | Retained earnings (deficits)    |                | Other<br>comprehensive<br>income       | Total        |
|                                                      |                                              |                               | Appropriated -<br>legal reserve | Unappropriated | Gain<br>from land<br>revaluation (net) |              |
| Opening balance as at 1 January 2015                 | 324,994,222                                  | 465,065,524                   | 24,390,707                      | (22,560,899)   | 25,316,392                             | 817,205,946  |
| Changes in shareholders' equity<br>for the year 2015 |                                              |                               |                                 |                |                                        |              |
| Total comprehensive income (loss) for the year       | -                                            | -                             | -                               | (44,503,943)   | 21,523,291                             | (22,980,652) |
| Closing balance as at 31 December 2015               | 324,994,222                                  | 465,065,524                   | 24,390,707                      | (67,064,842)   | 46,839,683                             | 794,225,294  |
| Changes in shareholders' equity<br>for the year 2016 |                                              |                               |                                 |                |                                        |              |
| Warrant exercised                                    | 152,453                                      | 604,326                       | -                               | -              | -                                      | 756,779      |
| Deduction of deficits                                | -                                            | (42,674,135)                  | (24,390,707)                    | 67,064,842     | -                                      | -            |
| Dividends payment                                    | -                                            | -                             | -                               | (45,499,191)   | -                                      | (45,499,191) |
| Legal reserve                                        | -                                            | -                             | 3,802,569                       | (3,802,569)    | -                                      | -            |
| Total comprehensive income (loss) for the year       | -                                            | -                             | -                               | 49,338,650     | -                                      | 49,338,650   |
| Closing balance as at 31 December 2016               | 325,146,675                                  | 422,995,715                   | 3,802,569                       | 36,890         | 46,839,683                             | 798,821,532  |

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

**TV Direct Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2016**

|                                                                                       | Notes     | Consolidated         |              | Separate             |              |
|---------------------------------------------------------------------------------------|-----------|----------------------|--------------|----------------------|--------------|
|                                                                                       |           | financial statements |              | financial statements |              |
|                                                                                       |           | 2016                 | 2015         | 2016                 | 2015         |
|                                                                                       |           | Baht                 | Baht         | Baht                 | Baht         |
| <b>Cash flows from operating activities</b>                                           |           |                      |              |                      |              |
| Profit (loss) before income tax                                                       |           | 50,985,328           | (15,915,600) | 47,973,053           | (62,503,076) |
| Adjustments for:                                                                      |           |                      |              |                      |              |
| Depreciation charge - investment properties                                           | 15        | -                    | -            | 2,076,505            | 1,108,866    |
| Depreciation charge - property, plant and equipment                                   | 16        | 58,554,337           | 61,215,767   | 49,504,528           | 54,758,585   |
| Amortisation charge                                                                   | 17        | 14,490,612           | 11,165,974   | 11,063,573           | 8,474,983    |
| Gain on disposals of investments in subsidiaries                                      | 14        | -                    | (7,720,798)  | -                    | -            |
| Loss from write-off trade account receivable                                          |           | 4,241,955            | 324,160      | 4,241,955            | -            |
| Allowance for doubtful accounts                                                       |           | 4,674,689            | 11,450,693   | 4,674,689            | 11,973,101   |
| Loss from physical count of inventory                                                 |           | 520,436              | 1,425,247    | 518,942              | 1,425,907    |
| (Reversal) allowance for defective inventories                                        |           | (717,941)            | 3,194,832    | (735,825)            | 3,642,436    |
| (Reversal) allowance for inventories cost in excess of net realisable value           |           | 52,153               | (139,603)    | 52,153               | 27,710       |
| Reversal allowance for recoverable amount of value added tax refundable               |           | -                    | (679,285)    | -                    | -            |
| (Reversal) allowance for impairment of property, plant and equipment                  |           | -                    | (500,000)    | -                    | (500,000)    |
| (Reversal) provision for goods returned                                               | 24        | (247,994)            | 131,782      | (281,850)            | 131,782      |
| Reversal                                                                              |           |                      |              |                      |              |
| - accounts payable are which free from payment                                        | 31        | (7,479,434)          | -            | (6,962,841)          | -            |
| - loan are which free from payment                                                    | 37 g)     | (2,560,000)          | -            | -                    | -            |
| Gain from disposals of - held-to-maturity investments                                 | 31        | (60,347)             | (5,494,030)  | -                    | -            |
| Gain from disposals of - available-for-sale investments                               | 31        | (1,536,923)          | (2,158,023)  | -                    | -            |
| Net (gain) loss from disposals of property, plant and equipment                       | 32        | 787,295              | 718,587      | 787,295              | (18,237,395) |
| Net loss from intangible assets written-off                                           | 17, 32    | 8                    | -            | 8                    | -            |
| Provision for repayment to insurance company                                          |           | 43,991,406           | -            | -                    | -            |
| Employee benefit obligations                                                          | 25        | 7,155,751            | 7,295,022    | 5,067,720            | 6,754,661    |
| Interest income from                                                                  |           |                      |              |                      |              |
| - held-to-maturity investment                                                         | 31        | (6,103,795)          | -            | -                    | -            |
| - financial institutions                                                              | 31        | (2,118,304)          | (1,318,203)  | (659,605)            | (488,968)    |
| - related companies                                                                   | 31, 37 a) | -                    | -            | (351,737)            | (395,433)    |
| Dividend income                                                                       | 31        | -                    | -            | (71,629,996)         | (25,999,999) |
| Finance costs                                                                         |           |                      |              |                      |              |
| - Interest expense from - borrowings                                                  |           | 12,870,418           | 14,906,119   | 12,786,141           | 14,819,765   |
| - Interest expense from - liabilities under finance lease and hire purchase agreement |           | 458,178              | 913,553      | 211,562              | 400,852      |
| - (Gain) loss from exchange rate of short-term borrowings from financial institutions |           |                      |              |                      |              |
| - realised                                                                            |           | 281,501              | 3,424,115    | 281,501              | 3,424,115    |
| - unrealised                                                                          |           | (1,890,733)          | (789,544)    | (1,890,733)          | (789,544)    |
|                                                                                       |           | 176,348,596          | 81,450,765   | 56,727,038           | (1,971,652)  |

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

**TV Direct Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2016**

|                                                                | Notes | Consolidated<br>financial statements |               | Separate<br>financial statements |              |
|----------------------------------------------------------------|-------|--------------------------------------|---------------|----------------------------------|--------------|
|                                                                |       | 2016                                 | 2015          | 2016                             | 2015         |
|                                                                |       | Baht                                 | Baht          | Baht                             | Baht         |
| Changes in working capital                                     |       |                                      |               |                                  |              |
| - trade and other accounts receivable*, **                     |       | 68,627,283                           | (73,585,055)  | 75,486,567                       | (19,723,720) |
| - inventories*, **                                             |       | (67,396,633)                         | 62,760,545    | (73,220,136)                     | 52,527,878   |
| - deposits for purchases of goods                              |       | 9,290,894                            | (612,220)     | 9,290,894                        | (612,220)    |
| - value added tax*, **                                         |       | (1,015,295)                          | 14,990,474    | 1,506,414                        | 3,660,454    |
| - other current assets*, **                                    |       | 32,251                               | 845,636       | 32,251                           | (45,027)     |
| - other non-current assets*, **                                |       | (1,935,830)                          | 478,023       | (1,615,078)                      | 479,751      |
| - trade and other accounts payable                             |       | (53,820,254)                         | 152,374,257   | (31,554,559)                     | 24,534,712   |
| - provision for repayment to insurance companies paid          |       | (69,716,925)                         | 34,683,018    | (22,273,751)                     | 22,273,751   |
| - other current liabilities                                    |       | (718,784)                            | (168,715)     | (896,772)                        | 833,395      |
| - employee benefit obligations paid                            | 25    | (1,053,566)                          | (4,214,184)   | (758,974)                        | (3,899,086)  |
| - other non-current liabilities                                |       | (297,333)                            | (257,000)     | (297,333)                        | (257,000)    |
| Cash receipts from operations                                  |       |                                      |               |                                  |              |
| before interest received and income tax paid                   |       | 58,344,404                           | 268,745,544   | 12,426,561                       | 77,801,236   |
| Interest received                                              |       | 2,118,304                            | 1,318,203     | 659,605                          | 488,968      |
| Income tax paid                                                |       | (27,776,090)                         | (17,342,647)  | 2,932,691                        | (8,611,087)  |
| Net cash receipts from operating activities                    |       | 32,686,618                           | 252,721,100   | 16,018,857                       | 69,679,117   |
| <b>Cash flows from investing activities</b>                    |       |                                      |               |                                  |              |
| Increase in restricted cash deposits at financial institutions |       | -                                    | (28,606,420)  | -                                | (25,056,420) |
| Held-to-maturity investments                                   |       |                                      |               |                                  |              |
| - principal                                                    |       |                                      |               |                                  |              |
| - payments                                                     | 8     | (294,866,455)                        | (620,383,778) | -                                | -            |
| - proceeds                                                     | 8     | 367,264,418                          | 572,663,182   | -                                | -            |
| - interest received                                            | 8     | 5,476,571                            | -             | -                                | -            |
| Short-term loan to subsidiary - repayments                     | 37 d) | -                                    | -             | -                                | -            |
| Short-term loan to subsidiary - proceeds                       | 37 d) | -                                    | -             | -                                | 1,320,000    |
| Long-term loan to a subsidiary - repayments                    | 37 e) | -                                    | -             | -                                | (12,000,000) |
| Long-term loan to a subsidiary - proceeds                      | 37 e) | -                                    | -             | 4,000,000                        | 8,000,000    |
| Long-term loan to a subsidiary - interest received             |       | -                                    | -             | 372,701                          | 377,832      |
| Available-for-sale investments - payment                       | 13    | (304,117,660)                        | (92,386,570)  | -                                | -            |
| Available-for-sale investments - proceeds                      | 13    | 336,439,756                          | 150,107,165   | -                                | -            |
| Disposals investments in subsidiaries - proceeds               | 9     | 11,690,000                           | 12,150,000    | -                                | -            |
| Disposals investments in subsidiaries - repayments             | 9     | -                                    | (4,501,902)   | -                                | -            |
| Cash paid from disposals of investments in subsidiaries        | 14    | -                                    | -             | (30,760,000)                     | (9,169,820)  |
| Cash paid for purchase of - Investments properties             | 15    | -                                    | -             | (79,000)                         | (10,277,153) |
| Cash paid for purchase of - property, plant and equipment      | 16    | (107,747,844)                        | (66,840,109)  | (20,572,298)                     | (17,741,316) |
| Cash paid for purchase of - intangible assets                  | 17    | (20,080,537)                         | (11,642,549)  | (11,857,323)                     | (8,341,063)  |
| Proceeds from disposals of - property, plant and equipment     |       | 150,531                              | 1,226,566     | 150,531                          | 55,720,383   |
| Proceeds from disposals of - construction in progress          | 9     | 450,000                              | -             | -                                | -            |
| Proceeds from disposals of - intangible assets                 | 17    | -                                    | 3,426         | -                                | -            |
| Cash received from dividend                                    | 31    | -                                    | -             | 71,629,996                       | 25,999,999   |
| Net cash receipts (payments) from investing activities         |       | (5,341,220)                          | (88,210,989)  | 12,884,607                       | 8,832,442    |

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

**TV Direct Public Company Limited**  
**Statement of Cash Flows (Unaudited) (Cont'd)**  
**For the year ended 31 December 2016**

|                                                                          | Notes | Consolidated         |               | Separate             |               |
|--------------------------------------------------------------------------|-------|----------------------|---------------|----------------------|---------------|
|                                                                          |       | financial statements |               | financial statements |               |
|                                                                          |       | 2016                 | 2015          | 2016                 | 2015          |
|                                                                          |       | Baht                 | Baht          | Baht                 | Baht          |
| <b>Cash flows from financing activities</b>                              |       |                      |               |                      |               |
| Bank overdrafts and short-term borrowings from financial institutions    |       |                      |               |                      |               |
| - proceeds                                                               | 20    | 1,291,250,940        | 859,822,064   | 1,291,250,940        | 859,822,064   |
| - repayments                                                             | 20    | (1,279,340,779)      | (827,544,253) | (1,279,340,779)      | (827,544,253) |
| Short-term borrowings from subsidiary - proceeds                         | 37 f) | -                    | -             | -                    | 10,000,000    |
| Short-term borrowings from subsidiary - repayments                       | 37 f) | -                    | -             | (10,000,000)         | -             |
| Short-term borrowings from a related party - repayments                  | 37 g) | (640,000)            | (2,680,000)   | -                    | -             |
| Long-term borrowings from financial institutions - payment               | 22    | (22,231,553)         | (35,203,372)  | (22,231,553)         | (35,203,372)  |
| Finance cost paid - interest expense from borrowings                     |       | (10,235,416)         | (11,157,522)  | (10,121,547)         | (10,980,437)  |
| Liabilities under finance lease and hire purchase agreements             |       |                      |               |                      |               |
| - principal                                                              |       | (8,891,544)          | (10,117,385)  | (4,532,105)          | (5,548,585)   |
| - interest expense                                                       |       | (458,178)            | (913,553)     | (211,562)            | (400,852)     |
| Cash received from paid up share capital                                 |       | 756,779              | -             | 756,779              | -             |
| Cash paid for dividend payment                                           |       | (45,445,693)         | (5,876)       | (45,445,693)         | (5,876)       |
| Cash paid for dividend payment to non-controlling interests              | 30    | (38,570,004)         | -             | -                    | -             |
| Increase (decrease) in non-controlling interest                          |       |                      |               |                      |               |
| - Last Mile Direct Co., Ltd.                                             | 30    | (2,760,000)          | (1,169,820)   | -                    | -             |
| - TVD Shopping Co., Ltd.                                                 | 30    | -                    | (14,000,001)  | -                    | -             |
| Net cash receipts (payments) from financing activities                   |       | (116,565,448)        | (42,969,718)  | (79,875,520)         | (9,861,311)   |
| Translation foreign currency financial information                       |       | -                    | 1,180,981     | -                    | -             |
| <b>Net increase (decrease) in cash and cash equivalents</b>              |       | (89,220,050)         | 122,721,374   | (50,972,056)         | 68,650,248    |
| Cash and cash equivalents - beginning of the year                        |       | 254,118,634          | 131,397,260   | 133,499,686          | 64,849,438    |
| Cash and cash equivalents - ending of the year                           |       | 164,898,584          | 254,118,634   | 82,527,630           | 133,499,686   |
| <b>Additional information</b>                                            |       |                      |               |                      |               |
| Transfer of plant (net) to investment properties (net)                   |       | -                    | -             | -                    | 49,166        |
| Sale of investments in indirect subsidiaries which has not been received | 9     | 1,560,000            | 13,250,000    | -                    | -             |
| Amortisation of deferred interest                                        |       | 2,103,847            | 3,769,619     | 2,103,847            | 3,769,619     |
| Net transfer of employee benefit obligations to a related company        |       | -                    | -             | 2,314,831            | -             |
| Purchase of assets which has not been paid                               |       |                      |               |                      |               |
| - equipment                                                              |       | 2,067,019            | 527,247       | 1,017,242            | 522,557       |
| - equipment under hire purchase agreement                                |       | -                    | 1,791,733     | -                    | 1,791,733     |
| - intangible assets                                                      |       | 2,978,623            | 1,566,929     | 1,972,823            | 207,815       |
| Dividend declared which has not been paid                                |       | 236,571              | 183,073       | 236,571              | 183,073       |
| Retention deducted which has not been paid                               |       | 1,781,584            | 520,015       | 395,200              | 520,015       |
| Income tax refundable written-off                                        |       | 1,296,052            | -             | 1,226,981            | -             |

\* These transactions included the change from disposal of investments in Direct Response Television Co., Ltd., TV Direct Lao Co., Ltd. and TVDI Vietnam Co., Ltd. which removed those companies as subsidiaries since 30 March 2015 (Note 14.1).

\*\* These transactions included the change from disposal of investments in TV Direct (Malaysia) Sdn. Bhd. which ceased this company as

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

## **TV Direct Public Company Limited**

### **Notes to the Consolidated and Company Financial Statements**

#### **For the ended 31 December 2016**

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## **1 General information**

TV Direct Public Company Limited (“the Company”) was incorporated as a limited company in Thailand on 21 April 1999 and subsequently registered to convert to a public company limited on 4 May 2011. As a result, the Company registered to change its name from “TV Direct Company Limited” to “TV Direct Public Company Limited” with the Ministry of Commerce and listed on the Stock Exchange of Thailand on 23 August 2012.

The address of its registered office is at 25 Watcharaphol Road, Tha-Raeng Sub-district, Bang Khen District, Bangkok 10230. As at 31 December 2016, the Company has 92 distribution centers (2015 : 87 distribution centers), which registered to the Ministry of Commerce, in Bangkok and other provinces.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The principal business operations of the Group are sales of goods and services through various marketing channels including providing, producing TV programmes and selling of airtime for advertising.

These consolidated and company financial statements have been approved by the Board of Directors on 23 February 2017.

## **2 Significant accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below.

### **2.1 Basis of preparation**

The consolidated and separate 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.

The consolidated and separate financial statement have been prepared under the historical cost convention except for those 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 Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of consolidated and separate 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.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards, revised accounting standards and financial reporting standards and related interpretations

2.2.1 New financial accounting standards, revised accounting standards and financial reporting standards and related interpretation are effective on 1 January 2016.

a) Financial reporting standards, which have a significant changes are as follows:

|                         |                                           |
|-------------------------|-------------------------------------------|
| TAS 16 (revised 2015)   | Property, plant and equipment             |
| TAS 19 (revised 2015)   | Employee benefits                         |
| TAS 24 (revised 2015)   | Related party disclosures                 |
| TAS 27 (revised 2015)   | Separate financial statements             |
| TAS 36 (revised 2015)   | Impairment of assets                      |
| TAS 38 (revised 2015)   | Intangible assets                         |
| TAS 40 (revised 2015)   | Investment property                       |
| TAS 41 (revised 2015)   | Agriculture                               |
| TFRS 2 (revised 2015)   | Share-based payment                       |
| TFRS 3 (revised 2015)   | Business combinations                     |
| TFRS 4 (revised 2015)   | Insurance contracts                       |
| TFRS 8 (revised 2015)   | Operating segments                        |
| TFRS 10 (revised 2015)  | Consolidated financial statements         |
| TFRS 12 (revised 2015)  | Disclosure of interests in other entities |
| TFRS 13 (revised 2015)  | Fair value measurement                    |
| TFRIC 21 (revised 2015) | Levies                                    |

The standards which related to the Group and adopted since 1 January 2016 are as follows:

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS10 (revised 2015), 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced).

The management has already assessed and considered that the above revised standards have no material impact to the Group.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards, revised accounting standards and financial reporting standards and related interpretations (Cont'd)

2.2.1 New financial accounting standards, revised accounting standards and financial reporting standards and related interpretation are effective on 1 January 2016. (Cont'd)

b) Revised accounting standards and financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

|                        |                                                                              |
|------------------------|------------------------------------------------------------------------------|
| TAS 1 (revised 2015)   | Presentation of financial statements                                         |
| TAS 2 (revised 2015)   | Inventories                                                                  |
| TAS 7 (revised 2015)   | Statement of cash flows                                                      |
| TAS 8 (revised 2015)   | Accounting policies, changes in accounting estimates and errors              |
| TAS 10 (revised 2015)  | Events after the reporting period                                            |
| TAS 11 (revised 2015)  | Construction contracts                                                       |
| TAS 12 (revised 2015)  | Income taxes                                                                 |
| TAS 17 (revised 2015)  | Leases                                                                       |
| TAS 18 (revised 2015)  | Revenue                                                                      |
| TAS 20 (revised 2015)  | Accounting for government grants and disclosure of government assistance     |
| TAS 21 (revised 2015)  | The effects of changes in foreign exchange rates                             |
| TAS 23 (revised 2015)  | Borrowing costs                                                              |
| TAS 26 (revised 2015)  | Accounting and reporting by retirement benefit plans                         |
| TAS 28 (revised 2015)  | Investments in associates and joint ventures                                 |
| TAS 29 (revised 2015)  | Financial reporting in hyperinflationary economies                           |
| TAS 33 (revised 2015)  | Earnings per share                                                           |
| TAS 34 (revised 2015)  | Interim financial reporting                                                  |
| TAS 37 (revised 2015)  | Provisions, contingent liabilities and contingent assets                     |
| TFRS 5 (revised 2015)  | Non-current assets held for sale and discontinued operations                 |
| TFRS 6 (revised 2015)  | Exploration for and evaluation of mineral resources                          |
| TFRS 11 (revised 2015) | Joint arrangements                                                           |
| TSIC 10 (revised 2015) | Government assistance - No specific relation to operating activities         |
| TSIC 15 (revised 2015) | Operating leases - Incentives                                                |
| TSIC 25 (revised 2015) | Income taxes - changes in the tax status of an entity or its shareholders    |
| TSIC 27 (revised 2015) | Evaluating the substance of transactions involving the legal form of a lease |
| TSIC 29 (revised 2015) | Service concession arrangements: Disclosures                                 |
| TSIC 31 (revised 2015) | Revenue - barter transactions involving advertising services                 |
| TSIC 32 (revised 2015) | Intangible assets - Web site costs                                           |
| TFRIC 1 (revised 2015) | Changes in existing decommissioning, restoration and similar liabilities     |



|                         |                                                                                                      |
|-------------------------|------------------------------------------------------------------------------------------------------|
| TFRIC 4 (revised 2015)  | Determining whether an arrangement contains a lease                                                  |
| TFRIC 5 (revised 2015)  | Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds |
| TFRIC 7 (revised 2015)  | Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies     |
| TFRIC 10 (revised 2015) | Interim financial reporting and impairment                                                           |
| TFRIC 12 (revised 2015) | Service concession arrangements                                                                      |
| TFRIC 13 (revised 2015) | Customer loyalty programmes                                                                          |
| TFRIC 14 (revised 2015) | TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction    |
| TFRIC 15 (revised 2015) | Agreements for the construction of real estate                                                       |
| TFRIC 17 (revised 2015) | Distributions of non-cash assets to owners                                                           |
| TFRIC 18 (revised 2015) | Transfers of assets from customers                                                                   |
| TFRIC 20 (revised 2015) | Stripping costs in the production phase of a surface mine                                            |

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards, revised accounting standards and financial reporting standards and related interpretations (Cont'd)

2.2.2 Revised accounting standards and financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

a) Revised accounting standards and financial reporting standards, which have significant changes and are relevant to the Group

|                        |                                                              |
|------------------------|--------------------------------------------------------------|
| TAS 1 (revised 2016)   | Presentation of financial statements                         |
| TAS 16 (revised 2016)  | Property, plant and equipment                                |
| TAS 19 (revised 2016)  | Employee benefits                                            |
| TAS 27 (revised 2016)  | Separate financial statements                                |
| TAS 28 (revised 2016)  | Investments in associates and joint ventures                 |
| TAS 34 (revised 2016)  | Interim financial reporting                                  |
| TAS 38 (revised 2016)  | Intangible assets                                            |
| TAS 41(revised 2016)   | Agriculture                                                  |
| TFRS 5 (revised 2016)  | Non-current assets held for sale and discontinued operations |
| TFRS 10 (revised 2016) | Consolidated financial statements                            |
| TFRS 11 (revised 2016) | Joint arrangements                                           |
| TFRS 12 (revised 2016) | Disclosure of interests in other entities                    |

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 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

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.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards, revised accounting standards and financial reporting standards and related interpretations (Cont'd)

2.2.2 Revised accounting standards and financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

a) Revised accounting standards and financial reporting standards, which have significant changes and are relevant to the Group (Cont'd)

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TAS 41 (revised 2016), the amendments align with the accounting guidance for the measurement and recognition of bearer plants issued by the FAP in 2015.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.

b) Revised accounting standards and financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

|                       |                                                                          |
|-----------------------|--------------------------------------------------------------------------|
| TAS 2 (revised 2016)  | Inventories                                                              |
| TAS 7 (revised 2016)  | Statement of cash flows                                                  |
| TAS 8 (revised 2016)  | Accounting policies, changes in accounting estimates and errors          |
| TAS 10 (revised 2016) | Events after the reporting period                                        |
| TAS 11 (revised 2016) | Construction contracts                                                   |
| TAS 12 (revised 2016) | Income taxes                                                             |
| TAS 17 (revised 2016) | Leases                                                                   |
| TAS 18 (revised 2016) | Revenue                                                                  |
| TAS 20 (revised 2016) | Accounting for government grants and disclosure of government assistance |
| TAS 21 (revised 2016) | The effects of changes in foreign exchange rates                         |
| TAS 23 (revised 2016) | Borrowing costs                                                          |
| TAS 24 (revised 2016) | Related party disclosures                                                |
| TAS 26 (revised 2016) | Accounting and reporting by retirement benefit plans                     |
| TAS 29 (revised 2016) | Financial reporting in hyper-inflationary economies                      |
| TAS 33 (revised 2016) | Earnings per share                                                       |
| TAS 36 (revised 2016) | Impairment of assets                                                     |
| TAS 37 (revised 2016) | Provisions, contingent liabilities and contingent assets                 |
| TAS 40 (revised 2016) | Investment property                                                      |

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards, revised accounting standards and financial reporting standards and related interpretations (Cont'd)

2.2.2 Revised accounting standards and financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

b) Revised accounting standards and financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows: (Cont'd)

|                       |                                                     |
|-----------------------|-----------------------------------------------------|
| TFRS 2 (revised 2016) | Share-based payment                                 |
| TFRS 3 (revised 2016) | Business combinations                               |
| TFRS 4 (revised 2016) | Insurance contracts                                 |
| TFRS 6 (revised 2016) | Exploration for and evaluation of mineral resources |
| TFRS 8 (revised 2016) | Operating segments                                  |

|                         |                                                                                                      |
|-------------------------|------------------------------------------------------------------------------------------------------|
| TFRS 13 (revised 2016)  | Fair value measurement                                                                               |
| TSIC 10 (revised 2016)  | Government Assistance - No specific relation to operating activities                                 |
| TSIC 15 (revised 2016)  | Operating leases - Incentives                                                                        |
| TSIC 25 (revised 2016)  | Income taxes - Changes in the tax status of an entity or its shareholders                            |
| TSIC 27 (revised 2016)  | Evaluating the substance of transactions in the legal form of a lease                                |
| TSIC 29 (revised 2016)  | Service Concession Arrangements: Disclosures                                                         |
| TSIC 31 (revised 2016)  | Revenue - Barter transactions involving advertising services                                         |
| TSIC 32 (revised 2016)  | Intangible assets - Web site costs                                                                   |
| TFRIC 1 (revised 2016)  | Changes in existing decommissioning, restoration and similar liabilities                             |
| TFRIC 4 (revised 2016)  | Determining whether an arrangement contains a lease                                                  |
| TFRIC 5 (revised 2016)  | Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds |
| TFRIC 7 (revised 2016)  | Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies   |
| TFRIC 10 (revised 2016) | Interim financial reporting and impairment                                                           |
| TFRIC 12 (revised 2016) | Service concession arrangements                                                                      |
| TFRIC 13 (revised 2016) | Customer loyalty programmes                                                                          |
| TFRIC 14 (revised 2016) | TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction    |
| TFRIC 15 (revised 2016) | Agreements for the construction of real estate                                                       |
| TFRIC 17 (revised 2016) | Distributions of non-cash assets to owners                                                           |
| TFRIC 18 (revised 2016) | Transfers of assets from customers                                                                   |
| TFRIC 20 (revised 2016) | Stripping costs in the production phase of a surface mine                                            |
| TFRIC 21 (revised 2016) | Levies                                                                                               |
| TAS 104 (revised 2016)  | Accounting for Troubled Debt Restructurings                                                          |
| TAS 105 (revised 2016)  | Accounting for Investments in Debt and Equity Securities                                             |
| TAS 107 (revised 2016)  | Financial Instruments: Disclosure and Presentation                                                   |

## 2.3 Group accounting - investments in subsidiaries

### (1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

## 2 Accounting policies (Cont'd)

### 2.3 Group accounting - investments in subsidiaries (Cont'd)

#### (1) Subsidiaries (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognise and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

#### (2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### (3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Thai Baht which is the Group's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

## 2 Accounting policies (Cont'd)

### 2.4 Foreign currency translation (Cont'd)

#### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income in the statement of comprehensive income.

### 2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown as current liabilities in statement of financial position.

### 2.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the differences between the carrying amount of receivable and the amount expected to be collected. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling and servicing expenses.

### 2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowance or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

## 2 Significant accounting policies (Cont'd)

### 2.8 Investments

Investments other than investments in subsidiaries, are classified into the following 4 categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in statement of comprehensive income. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

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

On disposal of an investment, the difference between the net disposal proceeds and the carrying amounts is charged or credited to profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

## 2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Building and building improvements held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs, which are incurred for the purpose of acquiring, constructing or producing a qualifying investment property, are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

## 2 Significant accounting policies (Cont'd)

### 2.9 Investment property (Cont'd)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less accumulated depreciation and allowance for impairment loss.

Depreciation on investment properties is calculated using the straight line method, to allocate their residual values over their estimated useful lives, as follows:

|                                     |              |
|-------------------------------------|--------------|
| Buildings and building improvements | 5 - 20 years |
|-------------------------------------|--------------|

### 2.10 Property, plant and equipment

Land is shown at fair value base on 3-5 years valuations by external independent valuers. Buildings and equipments are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to assets acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and building are credited to other comprehensive income and shown as gain on asset revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from 'gain on asset revaluation' to retained earnings.



Land has not been depreciated. Depreciation of other assets is calculated using the straight-line method to write off the cost of each asset, except land which is considered to have an indefinite useful life, to their residual value over the estimate useful lives as follows:

|                                          |    |       |
|------------------------------------------|----|-------|
| Land improvements                        | 5  | Years |
| Buildings                                | 20 | Years |
| Buildings improvements                   | 5  | Years |
| Furniture, fixtures and office equipment | 5  | Years |
| Computer equipment                       | 5  | Years |
| Motor vehicles                           | 5  | Years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gain/loss in profit or loss. When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

## 2 Significant accounting policies (Cont'd)

### 2.11 Intangible assets

#### Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group is recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 5 years.

## 2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2.13 Leases - where the Group is the lessee

### Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

### Finance leases

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

### **Leases - where the Group is the lessor**

### Operating leases

Assets leased out under operating leases are included in property, plant and equipment or investment property in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment or investment property owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

## 2 Significant accounting policies (Cont'd)

### 2.14 Borrowings

Borrowings are recognised initially at the proceeds received (net of transaction costs incurred). In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

## 2.15 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis

## 2.16 Employee benefits

The Group employee benefits comprise of other long-term employee benefits and post-employment benefits both for defined contribution plans and defined benefit plans, determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

## 2 Significant accounting policies (Cont'd)

### 2.16 Employee benefits (Cont'd)

#### Post-employment benefits

##### - Defined contribution plans

The Group has set up a provident fund, being a defined contribution plan, of which the assets are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group contributions to the provident fund are charged to profit and loss in the years to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### - Defined benefit plans

Under the Labour Law applicable in Thailand and the Group employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement at age 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at rate of 300 days of final salary and may be supplemented based on management's judgement.

#### Other long-term employee benefits

The Group has schemes to award gold to employees who have provided services to the Group at every 5 years anniversary, for a maximum of 3 times.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit plans is recognised immediately in equity through other comprehensive income and other long-term employee benefits are recognised in profit and loss in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

The Group recognises, the obligation determined as at 31 December 2010 on a straight-line basis over a five-year period. The increase of the liability within the current year is fully recognised in the current period financial statements (statements of financial position and statement of comprehensive income). The practice is in compliance with the provision in the Thai Accounting Standard no.19 dealing with accounting for employee benefits.

## 2.17 Provisions - general

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2.18 Revenue recognition

Revenue comprises the fair value for consideration received or receivable for the sale of goods and services provided in the ordinary course of the Group's activities. Revenue is shown net of output tax, returns, rebates and discounts. Revenue from sale of goods is recognised when significant risks and rewards of ownership of goods are transferred to the buyer. Services income is recognised as revenue in the period in which they are rendered.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

## 2.19 Finance costs

Finance costs comprise interest expense arising from financial institutions, interest expense from liabilities under finance lease agreements and hire purchase agreement and gain (loss) from exchange rate from short-term loans from financial institutions

## 2.20 Dividend distribution

Dividend and interim dividend is recognised in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders and Boards of Directors, respectively.

## 2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

### 3 Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

##### 3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group also hedges the foreign currency exposure of its contract commitments to purchase certain goods from overseas. The forward contracts used in its programme mature in 1 - 4 months or less, consistent with the related purchase commitments.

##### 3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Managing Director before execution. The Group has no significant interest-bearing assets.

##### 3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to one financial institution.

##### 3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

#### 3.2 Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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 (that is, as market prices) or indirectly (that is, derived from market prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

|                                          | Level 1 | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|------------------------------------------|---------|--------------------------------------|--------------|----------------------------------|--------------|
|                                          |         | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| <b>Fair value of assets as at</b>        |         |                                      |              |                                  |              |
| Available-for-sale investments (Note 13) | 1       | 66,099,223                           | 97,458,588   | -                                | -            |
| Property, plant and equipment (net)      |         |                                      |              |                                  |              |
| - Land (Note 16)                         | 2       | 147,975,893                          | 147,975,893  | 109,366,000                      | 109,366,000  |

#### Level 1

The fair value of available-for-sale investments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for available-for-sale investments held by the Group is the current bid price. These available-for-sale investments are included in Level 1.

#### Level 2

The fair value of items that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## 4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions 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.

### Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### (a) Impairment of investments in a subsidiary

The investments in subsidiaries are reported using the cost method in the Company financial statements. An allowance for impairment was recognised as the cost of the investments in a subsidiary exceeded the recoverable amount, which determines by the value in use. As to whether the impairment provision should be provided or reversed, the management made an assessment by considering from past performance, external factors that may affect the business operations, and produced and reviewed financial forecast and expected future cash inflow.

#### (b) Deferred tax

Deferred tax come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

## 5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares or sell assets to reduce debt.

## 6 Segment information

## The consolidated statements of comprehensive income for the years ended 31 December (Baht)

|                                                | Direct marketing |                 | General marketing |               | Services      |               | Others      |              | Total           |                 |
|------------------------------------------------|------------------|-----------------|-------------------|---------------|---------------|---------------|-------------|--------------|-----------------|-----------------|
|                                                | 2016             | 2015            | 2016              | 2015          | 2016          | 2015          | 2016        | 2015         | 2016            | 2015            |
| Sales of goods                                 | 2,422,202,109    | 1,935,245,462   | 475,574,250       | 476,192,298   | -             | -             | 12,837,077  | 25,540,264   | 2,910,613,436   | 2,436,978,024   |
| Cost of goods sold                             | (1,200,542,255)  | (1,014,236,553) | (232,595,779)     | (260,549,747) | -             | -             | (6,529,566) | (12,148,649) | (1,439,667,600) | (1,286,934,949) |
| Gross profit                                   | 1,221,659,854    | 921,008,909     | 242,978,471       | 215,642,551   | -             | -             | 6,307,511   | 13,391,615   | 1,470,945,836   | 1,150,043,075   |
| Service income                                 | 175,643,586      | 279,772,626     | -                 | -             | 316,721,888   | 323,737,958   | -           | -            | 492,365,474     | 603,510,584     |
| Cost of service                                | (159,877,252)    | (108,181,117)   | -                 | -             | (195,310,996) | (160,356,630) | -           | -            | (355,188,248)   | (268,537,747)   |
| Gross profit                                   | 15,766,334       | 171,591,509     | -                 | -             | 121,410,892   | 163,381,328   | -           | -            | 137,177,226     | 334,972,837     |
| Total gross profit                             | 1,237,426,188    | 1,092,600,418   | 242,978,471       | 215,642,551   | 121,410,892   | 163,381,328   | 6,307,511   | 13,391,615   | 1,608,123,062   | 1,485,015,912   |
| Gain on disposal of investment in subsidiaries | -                | -               | -                 | -             | -             | -             | -           | -            | -               | -               |
| Other income                                   | -                | -               | -                 | -             | -             | -             | -           | -            | -               | -               |
| - Purchase discount                            | -                | -               | -                 | -             | -             | -             | -           | -            | -               | -               |
| - Others                                       | -                | -               | -                 | -             | -             | -             | -           | -            | 9,414,409       | -               |
| Selling and administrative expenses            | -                | -               | -                 | -             | -             | -             | -           | -            | 32,305,884      | 12,322,497      |
| Other expenses                                 | -                | -               | -                 | -             | -             | -             | -           | -            | (1,586,561,686) | (1,502,386,952) |
| Other gain (loss)                              | -                | -               | -                 | -             | -             | -             | -           | -            | (1,434)         | (36,750)        |
| Finance costs (net)                            | -                | -               | -                 | -             | -             | -             | -           | -            | (575,543)       | (96,862)        |
| Income tax income (expense)                    | -                | -               | -                 | -             | -             | -             | -           | -            | (11,719,364)    | (18,454,243)    |
| Profit (loss) for the year                     | -                | -               | -                 | -             | -             | -             | -           | -            | (11,870,940)    | 4,171,188       |
|                                                | -                | -               | -                 | -             | -             | -             | -           | -            | 39,114,389      | (11,744,412)    |

## The separate statements of comprehensive income for the years ended 31 December (Baht)

|                                     | Direct marketing |               | General marketing |               | Services      |               | Others      |              | Total           |                 |
|-------------------------------------|------------------|---------------|-------------------|---------------|---------------|---------------|-------------|--------------|-----------------|-----------------|
|                                     | 2016             | 2015          | 2016              | 2015          | 2016          | 2015          | 2016        | 2015         | 2016            | 2015            |
| Sales of goods                      | 1,489,926,257    | 1,300,716,779 | 466,472,301       | 455,807,315   | -             | -             | 12,837,077  | 25,540,264   | 1,969,235,635   | 1,782,064,358   |
| Cost of goods sold                  | (669,231,963)    | (635,669,247) | (229,566,159)     | (250,250,324) | -             | -             | (6,529,565) | (12,148,649) | (905,327,687)   | (898,068,220)   |
| Gross profit                        | 820,694,294      | 665,047,532   | 236,906,142       | 205,556,991   | -             | -             | 6,307,512   | 13,391,615   | 1,063,907,948   | 883,996,138     |
| Service income                      | -                | 10,225,874    | -                 | -             | 319,965,888   | 323,737,958   | -           | -            | 319,965,888     | 333,963,832     |
| Cost of service                     | -                | (4,357,061)   | -                 | -             | (195,310,996) | (106,450,560) | -           | -            | (195,310,996)   | (110,807,621)   |
| Gross profit                        | -                | 5,868,813     | -                 | -             | 124,654,892   | 217,287,398   | -           | -            | 124,654,892     | 223,156,211     |
| Total gross profit                  | 820,694,294      | 670,916,345   | 236,906,142       | 205,556,991   | 124,654,892   | 217,287,398   | 6,307,512   | 13,391,615   | 1,188,562,840   | 1,107,152,349   |
| Other income                        | -                | -             | -                 | -             | -             | -             | -           | -            | -               | -               |
| Selling and administrative expenses | -                | -             | -                 | -             | -             | -             | -           | -            | 140,962,868     | 69,021,550      |
| Other gain (loss)                   | -                | -             | -                 | -             | -             | -             | -           | -            | (1,269,569,467) | (1,239,823,165) |
| Finance costs (net)                 | -                | -             | -                 | -             | -             | -             | -           | -            | (594,717)       | 19,001,378      |
| Income tax income (expense)         | -                | -             | -                 | -             | -             | -             | -           | -            | (11,388,471)    | (17,855,186)    |
| Profit (loss) for the year          | -                | -             | -                 | -             | -             | -             | -           | -            | 1,365,597       | 17,999,133      |
|                                     | -                | -             | -                 | -             | -             | -             | -           | -            | 49,338,650      | (44,503,943)    |



## 7 Cash and cash equivalents

|                                  | Consolidated financial statements |                    | Separate financial statements |                    |
|----------------------------------|-----------------------------------|--------------------|-------------------------------|--------------------|
|                                  | 2016 Baht                         | 2015 Baht          | 2016 Baht                     | 2015 Baht          |
| Cash on hand                     | 4,716,232                         | 1,344,860          | 4,597,012                     | 1,259,353          |
| Cheque on hand                   | 4,488,138                         | -                  | 4,488,138                     | -                  |
| Cash at banks - current accounts | 18,718,383                        | 6,105,426          | 18,614,701                    | 5,999,434          |
| - savings accounts               | 136,975,831                       | 246,668,348        | 54,827,779                    | 126,240,899        |
|                                  | <u>164,898,584</u>                | <u>254,118,634</u> | <u>82,527,630</u>             | <u>133,499,686</u> |

As at 31 December 2016, cash at banks - savings accounts carry interest at the rates of 0.125% - 0.750% per annum (2015 : 0.125% - 0.750% per annum).

## 8 Held-to-maturity investments

Held-to-maturity investments as at 31 December 2016 and 2015, represent open-end fund units at local financial institution classified as held-to-maturity investments, are as follows :

| Security name                                      | Consolidated financial statements |                   |                               |       |                    |                    |
|----------------------------------------------------|-----------------------------------|-------------------|-------------------------------|-------|--------------------|--------------------|
|                                                    | Investment units held (Unit)      |                   | Cost per unit (Baht per unit) |       | Total cost (Baht)  |                    |
|                                                    | 2016                              | 2015              | 2016                          | 2015  | 2016               | 2015               |
| LH Enhanced Fixed Income Fund 6M7                  | 946,575                           | -                 | 10.56                         | -     | 10,000,000         | -                  |
| LH Enhanced Fixed Income Fund 6M9                  | 3,902,858                         | -                 | 10.25                         | -     | 40,000,000         | -                  |
| Phillip Fixed Income Accredited Investors Fund 3M1 | -                                 | 3,921,876         | -                             | 10.45 | -                  | 40,987,921         |
| Solaris Privilege Fixed Income Fund 3M2            | -                                 | 944,653           | -                             | 10.75 | -                  | 10,152,467         |
| Solaris Privilege Fixed Income Fund 3M3            | -                                 | 6,827,960         | -                             | 10.56 | -                  | 72,129,882         |
| Solaris Privilege Fixed Income Fund 3M4            | 940,071                           | -                 | 10.21                         | -     | 9,598,778          | -                  |
| Solaris Privilege Fixed Income Fund 6M1            | 1,903,928                         | 6,652,311         | 10.83                         | 10.57 | 20,373,741         | 70,317,194         |
| Solaris Privilege Fixed Income Fund 6M4            | 5,873,792                         | 2,000,000         | 10.49                         | 10.16 | 61,604,329         | 20,327,000         |
| Total                                              | <u>13,567,224</u>                 | <u>20,346,800</u> |                               |       | <u>141,576,848</u> | <u>213,914,464</u> |
| Add : Interest receivable                          |                                   |                   |                               |       | <u>627,224</u>     | <u>-</u>           |
|                                                    |                                   |                   |                               |       | <u>142,204,072</u> | <u>213,914,464</u> |

As at 31 December 2016, held-to-maturity investments bear interest income at the rates of 1.85% per annum - 3.15% per annum (2015 : 3.00% per annum - 3.20% per annum).

The movement of held-to-maturity investments for the years ended 31 December 2016 and 2015 is as follows:

|                                                                         | 2016 Baht          | 2015 Baht          |
|-------------------------------------------------------------------------|--------------------|--------------------|
| Balance as at 1 January                                                 | 213,914,464        | 160,699,838        |
| Increase in investments                                                 | 294,866,455        | 620,383,778        |
| Increase in interest receivable (Note 31)                               | 6,103,795          | 5,388,967          |
| Disposals - cash received from disposals of held-to-maturity investment |                    |                    |
| - principal                                                             | (367,264,418)      | (567,324,215)      |
| - interest receivable                                                   | (5,476,571)        | (5,388,967)        |
| - gain from disposal of held-to-maturity investment (Note 31)           | 60,347             | 155,063            |
| Balance as at 31 December                                               | <u>142,204,072</u> | <u>213,914,464</u> |

## 9 Trade and other accounts receivable (net)

|                                                                                     | Consolidated<br>financial statements |                     | Separate<br>financial statements |                     |
|-------------------------------------------------------------------------------------|--------------------------------------|---------------------|----------------------------------|---------------------|
|                                                                                     | 2016<br>Baht                         | 2015<br>Baht        | 2016<br>Baht                     | 2015<br>Baht        |
| Trade accounts receivable                                                           |                                      |                     |                                  |                     |
| - others                                                                            | 131,113,919                          | 175,892,197         | 87,122,231                       | 164,416,167         |
| - related parties (Note 37 c))                                                      | -                                    | -                   | 3,659,492                        | 9,095,767           |
|                                                                                     | 131,113,919                          | 175,892,197         | 90,781,723                       | 173,511,934         |
| <u>Less</u> Allowance for doubtful accounts - others                                | <u>(28,385,402)</u>                  | <u>(24,793,653)</u> | <u>(28,385,402)</u>              | <u>(24,793,653)</u> |
| Trade accounts receivable (net)                                                     | 102,728,517                          | 151,098,544         | 62,396,321                       | 148,718,281         |
| Accounts receivable from trade barter<br>of goods or service                        | 4,927,132                            | 4,933,310           | 4,927,132                        | 4,933,310           |
| <u>Less</u> Allowance for doubtful accounts                                         | <u>(4,927,132)</u>                   | <u>(4,933,310)</u>  | <u>(4,927,132)</u>               | <u>(4,933,310)</u>  |
| Accounts receivable from trade barter<br>of goods or service (net)                  | -                                    | -                   | -                                | -                   |
| Other accounts receivable                                                           |                                      |                     |                                  |                     |
| - others                                                                            | 21,510,039                           | 54,276,441          | 21,026,673                       | 23,579,201          |
| - related parties (Note 37 c))                                                      | 1,420                                | -                   | 418,351                          | 2,679,741           |
|                                                                                     | 21,511,459                           | 54,276,441          | 21,445,024                       | 26,258,942          |
| <u>Less</u> Allowance for doubtful accounts - others                                | <u>(11,260,214)</u>                  | <u>(10,171,096)</u> | <u>(11,260,214)</u>              | <u>(10,171,096)</u> |
| Other accounts receivable (net)                                                     | 10,251,245                           | 44,105,345          | 10,184,810                       | 16,087,846          |
| Post dated cheques received                                                         | 513,786                              | 836,936             | 513,786                          | 573,526             |
| Accounts receivable from sales of investments<br>in indirect subsidiaries (Note 14) | 1,560,000                            | 13,250,000          | -                                | -                   |
| Accounts receivable from disposal<br>construction in progress                       | -                                    | 450,000             | -                                | -                   |
| Accrued income                                                                      |                                      |                     |                                  |                     |
| - others                                                                            | 14,691,071                           | 10,819,082          | 1,759,244                        | 4,638,885           |
| - related parties (Note 37 c))                                                      | -                                    | -                   | 11,800,704                       | 2,246,776           |
| Interest receivable - related parties (Note 37 c))                                  | -                                    | -                   | 12,230                           | 33,194              |
| Advance payment                                                                     |                                      |                     |                                  |                     |
| - others                                                                            | 2,935,971                            | 317,097             | 2,802,971                        | 312,257             |
| - related parties (Note 37 c))                                                      | 1,508,917                            | 1,787,684           | 6,453                            | -                   |
| Prepaid expenses                                                                    | 7,600,338                            | 8,809,084           | 6,609,011                        | 7,898,940           |
|                                                                                     | 28,810,083                           | 36,269,883          | 23,504,399                       | 15,703,578          |
|                                                                                     | 141,789,845                          | 231,473,772         | 96,085,530                       | 180,509,705         |

Trade accounts receivable as at 31 December 2016 and 2015 classified by aging are as follows:

|                                                                    | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--------------------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                                    | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| Accounts receivable not overdue<br>(7 days - 60 days credit terms) | 71,476,274                           | 89,782,298   | 32,378,981                       | 88,343,124   |
| Overdue                                                            |                                      |              |                                  |              |
| 1 - 30 days                                                        | 19,922,076                           | 46,817,582   | 19,633,228                       | 46,451,079   |
| 31 - 60 days                                                       | 3,201,071                            | 3,443,388    | 2,889,146                        | 3,333,000    |
| 61 - 90 days                                                       | 1,324,606                            | 954,802      | 834,926                          | 900,142      |
| 91 - 180 days                                                      | 2,527,477                            | 1,884,964    | 2,383,027                        | 1,848,778    |
| 181 - 365 days                                                     | 4,053,511                            | 5,101,041    | 4,053,511                        | 4,768,529    |
| Over 365 days                                                      | 28,608,904                           | 27,908,122   | 28,608,904                       | 27,867,282   |
|                                                                    | 131,113,919                          | 175,892,197  | 90,781,723                       | 173,511,934  |

## 10 Inventories (net)

|                                                                  | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|------------------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                                  | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| Finished goods                                                   | 452,152,923                          | 387,204,726  | 436,381,927                      | 365,014,430  |
| <u>Less</u> Allowance for obsolete and slow-moving inventories   | (12,392,488)                         | (13,110,429) | (12,374,604)                     | (13,110,429) |
| Allowance for inventories cost in excess of net realisable value | (286,244)                            | (234,091)    | (286,244)                        | (234,091)    |
|                                                                  | 439,474,191                          | 373,860,206  | 423,721,079                      | 351,669,910  |
| Packing materials                                                | 594,303                              | -            | -                                | -            |
| Supplies                                                         | 3,677,999                            | 3,797,539    | 3,677,999                        | 3,797,539    |
| Goods in transit                                                 | 37,296,622                           | 35,843,385   | 37,296,622                       | 35,843,385   |
|                                                                  | 481,043,115                          | 413,501,130  | 464,695,700                      | 391,310,834  |

As at 31 December 2016, Inventory in consolidated and separate financial statements with a value of Baht 2,229,366 and Baht 2,229,366 (2015 : Baht 1,830,850 and Baht 1,830,850), respectively is carried at net realisable value, this being lower than cost.

The cost of inventories recognised as expense and included in 'cost of sales' in consolidated and separate financial statements amounting to Baht 1,481,731,625 and Baht 892,114,171 (2015 : Baht 1,282,164,611 and Baht 884,144,240), respectively.

## 11 Value added tax (net)

|                                     | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|-------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                     | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| Prepaid output tax                  | 5,781,103                            | 2,952,633    | 3,428,990                        | 3,106,015    |
| Undue input tax                     | 4,021,015                            | 8,788,597    | 3,241,288                        | 8,173,192    |
| Value added tax received in advance | (5,139,482)                          | (2,969,389)  | -                                | -            |
| Value added tax payable             | (3,176,499)                          | (5,177,379)  | (1,673,514)                      | (4,776,029)  |
| Value added tax receivable          | 3,378,983                            | 255,363      | -                                | -            |
|                                     | 4,865,120                            | 3,849,825    | 4,996,764                        | 6,503,178    |

As at 31 December 2016 and 2015, value added tax presented by net taxable entities is as follows:

|                                | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| Value added tax (net) - assets | 6,742,286                            | 6,734,529    | 4,996,764                        | 6,503,178    |
| - liabilities                  | (1,877,166)                          | (2,884,704)  | -                                | -            |
|                                | 4,865,120                            | 3,849,825    | 4,996,764                        | 6,503,178    |

## 12 Restricted deposits at financial institutions

As at 31 December 2016 and 2015, restricted deposits at financial institutions represent 3-month to 12-month deposits and comprise the following:

|                             | Consolidated<br>financial statements                                                                                        |                                                                                                                             | Separate<br>financial statements                             |                                                              |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
|                             | 2016                                                                                                                        | 2015                                                                                                                        | 2016                                                         | 2015                                                         |
| Interest rate (% per annum) | 0.65 - 0.90                                                                                                                 | 0.65 - 1.10                                                                                                                 | 0.65 - 0.90                                                  | 0.65 - 1.10                                                  |
| Used as collateral for      | Short-term borrowings from financial institutions (Note 20),<br>airtime rental (Note 39.1) and credit facilities (Note 20). | Short-term borrowings from financial institutions (Note 20),<br>airtime rental (Note 39.1) and credit facilities (Note 20). | Short-term borrowings from financial institutions (Note 20). | Short-term borrowings from financial institutions (Note 20). |

## 13 Available-for-sale investments

Available-for-sale investments as at 31 December 2016 and 2015 are as follows:

| Securities name                      | Consolidated financial statements |           |                      |       |                   |            |                              |       |                     |            |
|--------------------------------------|-----------------------------------|-----------|----------------------|-------|-------------------|------------|------------------------------|-------|---------------------|------------|
|                                      | Investment units held (Units)     |           | Cost per unit (Baht) |       | Total cost (Baht) |            | Market price per unit (Baht) |       | Market value (Baht) |            |
|                                      | 2016                              | 2016      | 2016                 | 2016  | 2016              | 2016       | 2016                         | 2016  | 2016                | 2016       |
| Krung Thai Thanap Plus Fund (KTPLUS) | -                                 | 8,732,768 | -                    | 10.50 | -                 | 91,693,155 | -                            | 10.58 | -                   | 92,386,570 |
| Krungsri Star Plus Fund (KFS PLUS)   | -                                 | 147,983   | -                    | 19.78 | -                 | 2,926,935  | -                            | 19.96 | -                   | 2,954,400  |
| TMB THANAPLUS (TMBPLUS)              | 5,514,507                         | -         | 11.58                | -     | 63,834,917        | -          | 11.60                        | -     | 63,952,289          | -          |
| LH Money Market Fund (LHMM)          | 192,617                           | 192,617   | 10.30                | 10.30 | 1,984,269         | 1,984,269  | 11.15                        | 10.99 | 2,146,934           | 2,117,618  |
| Total                                | 5,707,124                         | 9,073,368 |                      |       | 65,819,186        | 96,604,359 |                              |       | 66,099,223          | 97,458,588 |

The movement of available-for-sale investments for the year ended 31 December 2016 and 2015 are as follows:

|                                                                   | Consolidated financial statements |               |
|-------------------------------------------------------------------|-----------------------------------|---------------|
|                                                                   | 2016 Baht                         | 2015 Baht     |
| Balance as at 1 January                                           | 97,458,588                        | 153,247,363   |
| Additions                                                         | 304,117,660                       | 92,386,570    |
| Disposals                                                         |                                   |               |
| - cash received from disposals of available-for-sale investments  | (336,439,756)                     | (150,107,165) |
| - gain from disposals of available-for-sale investments (Note 31) | 1,536,923                         | 2,158,023     |
| Changes in fair value of available-for-sale investments           |                                   |               |
| - realised                                                        | (854,229)                         | (1,080,432)   |
| - unrealised                                                      | 280,037                           | 854,229       |
| Balance as at 31 December                                         | 66,099,223                        | 97,458,588    |

As at 31 December 2016 and 2015, the fair value of available-for-sale investments is based on quoted market prices traded in active markets at the statement of financial position date (Level 1 of fair value hierarchy).

## 14 Investments in subsidiaries (net)

Investments in subsidiaries (net) as at 31 December 2016 and 2015 are as follows:

| Companies name                                                              | Nature of business                                                                                             | Incorporated in | Percentage of shareholding |                         | Paid-up share capital                       |                                             |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------|----------------------------|-------------------------|---------------------------------------------|---------------------------------------------|
|                                                                             |                                                                                                                |                 | 2016                       | 2015                    | 2016                                        | 2015                                        |
|                                                                             |                                                                                                                |                 | %                          | %                       | Baht                                        | Baht                                        |
| <b>Subsidiaries</b>                                                         |                                                                                                                |                 |                            |                         |                                             |                                             |
| TVD Shopping Co., Ltd.                                                      | Sell goods and services through multiple marketing channels                                                    | Thailand        | 65.00                      | 65.00                   | 445,000,000                                 | 445,000,000                                 |
| TVD Services Co., Ltd. (Formerly named "TV Direct Indochina Co., Ltd.")     | Hold investments in subsidiaries, sell airtime for television broadcast and sell household equipment and other | Thailand        | 99.99                      | 99.99                   | 40,000,000                                  | 144,400,000                                 |
| TVD Broker Co., Ltd.                                                        | Life insurance broker and other services relate to insurance against loss                                      | Thailand        | 99.99                      | 99.99                   | 40,000,000                                  | 12,000,000                                  |
| Last Mile Direct Co., Ltd. (Formerly named JML Direct (Thailand) Co., Ltd.) | Sell household equipment and provide delivery services                                                         | Thailand        | 99.99                      | 60.00                   | 30,000,000                                  | 30,000,000                                  |
| <b>Separate financial statements</b>                                        |                                                                                                                |                 |                            |                         |                                             |                                             |
|                                                                             |                                                                                                                |                 | 2015 (Baht)                |                         |                                             |                                             |
| Company name                                                                | Allowance for impairment                                                                                       | Cost            | Net book value             | Proportionate net worth | Gain (loss) from investment in subsidiaries | Gain (loss) from investment in subsidiaries |
|                                                                             |                                                                                                                |                 |                            |                         |                                             |                                             |
| <b>Subsidiaries</b>                                                         |                                                                                                                |                 |                            |                         |                                             |                                             |
| TVD Shopping Co., Ltd.                                                      | -                                                                                                              | 289,249,985     | 289,249,985                | 350,896,394             | 61,646,409                                  | 289,249,985                                 |
| TVD Services Co., Ltd.                                                      | (108,121,000)                                                                                                  | 143,500,655     | 35,379,655                 | 40,380,051              | 5,000,396                                   | 35,379,655                                  |
| TVD Broker Co., Ltd.                                                        | -                                                                                                              | 39,999,960      | 39,999,960                 | 8,962,927               | (31,037,033)*                               | 11,999,960                                  |
| Last Mile Direct Co., Ltd.                                                  | -                                                                                                              | 19,229,620      | 19,229,620                 | 8,846,118               | (10,383,502)*                               | 16,469,620                                  |
|                                                                             | (108,121,000)                                                                                                  |                 | 383,859,220                | 409,085,490             | 25,226,270                                  | 353,099,220                                 |
|                                                                             |                                                                                                                |                 |                            |                         | (108,121,000)                               | 296,587,387                                 |

\* The management considered that loss arising from the above investments in subsidiaries is temporary loss as due to.

- For Last Mile Direct Co., Ltd., the management has changed its business plan from distributing household equipment in the department store to providing a delivery service for products and parcels. Management provided a business plan with operating cash flows for year 2017, and expects to receive profits from the operation.
- For TVD Broker Co., Ltd., this subsidiary is currently in the initial start-up of business. However, the management provided operating cash flows for year 2017 and expects to receive the profits from the operation.

Therefore, there was no recognition of allowance for impairment of investments in subsidiaries.

#### 14 Investments in subsidiaries (net) (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests

Set out below are the summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as follows:

Summarised statements of financial position

|                              | TVD Shopping Co., Ltd. |               | Last Mile Direct Co., Ltd. |              | Total             |               |
|------------------------------|------------------------|---------------|----------------------------|--------------|-------------------|---------------|
|                              | As at 31 December      |               | As at 31 December          |              | As at 31 December |               |
|                              | 2016<br>Baht           | 2015<br>Baht  | 2016<br>Baht               | 2015<br>Baht | 2016<br>Baht      | 2015<br>Baht  |
| <b>Current</b>               |                        |               |                            |              |                   |               |
| Assets                       | 201,171,500            | 355,990,991   | 20,081,604                 | 20,616,367   | 221,253,104       | 376,607,358   |
| Liabilities                  | (150,364,983)          | (213,123,433) | (12,487,615)               | (11,286,736) | (162,852,598)     | (224,410,169) |
| Total net current assets     | 50,806,517             | 142,867,558   | 7,593,989                  | 9,329,631    | 58,400,506        | 152,197,189   |
| <b>Non-current</b>           |                        |               |                            |              |                   |               |
| Assets                       | 301,272,520            | 247,321,243   | 1,461,243                  | 2,803,808    | 302,733,763       | 250,125,051   |
| Liabilities                  | (1,182,643)            | (2,837,070)   | (209,114)                  | (227,039)    | (1,391,757)       | (3,064,109)   |
| Total net non-current assets | 300,089,877            | 244,484,173   | 1,252,129                  | 2,576,769    | 301,342,006       | 247,060,942   |
| <b>Net assets</b>            | 350,896,394            | 387,351,731   | 8,846,118                  | 11,906,400   | 359,742,512       | 399,258,131   |

## 14 Investments in subsidiaries (net) (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

Set out below are the summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as follows: (Cont'd)

Summarised statements of comprehensive income

|                                                                   | TVD Shopping Co., Ltd.             |              | Last Mile Direct Co., Ltd.         |              | Total                              |              |
|-------------------------------------------------------------------|------------------------------------|--------------|------------------------------------|--------------|------------------------------------|--------------|
|                                                                   | For the years ended<br>31 December |              | For the years ended<br>31 December |              | For the years ended<br>31 December |              |
|                                                                   | 2016<br>Baht                       | 2015<br>Baht | 2016<br>Baht                       | 2015<br>Baht | 2016<br>Baht                       | 2015<br>Baht |
| <b>Revenue</b>                                                    | 1,081,103,454                      | 918,104,582  | 9,952,480                          | 20,483,983   | 1,091,055,934                      | 938,588,565  |
| Profit (loss) before income tax                                   | 92,254,150                         | 106,481,293  | (3,060,282)                        | (3,315,351)  | 89,193,868                         | 103,165,942  |
| Income tax income (expense)                                       | (18,026,680)                       | (19,458,520) | -                                  | (514)        | (18,026,680)                       | (19,459,034) |
| Post-tax profit (loss) from continuing operations                 | 74,227,470                         | 87,022,773   | (3,060,282)                        | (3,315,865)  | 71,167,188                         | 83,706,908   |
| Other comprehensive income                                        | (482,807)                          | (210,748)    | -                                  | -            | (482,807)                          | (210,748)    |
| Total comprehensive income                                        | 73,744,663                         | 86,812,025   | (3,060,282)                        | (3,315,865)  | 70,684,381                         | 83,496,160   |
| Total comprehensive income allocated to non-controlling interests | 25,979,615                         | 30,457,971   | (1,224,113)                        | (1,326,346)  | 24,755,502                         | 29,131,625   |
| Dividends paid to non-controlling interests                       | 38,570,004                         | 14,000,001   | -                                  | -            | 38,570,004                         | 14,000,001   |



#### 14 Investments in subsidiaries (net) (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

Set out below are the summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as follows: (Cont'd)

Summarised statements of cash flows

|                                                        | TVD Shopping Co., Ltd.             |                   | Last Mile Direct Co., Ltd.         |                  | Total                              |                    |
|--------------------------------------------------------|------------------------------------|-------------------|------------------------------------|------------------|------------------------------------|--------------------|
|                                                        | For the years ended<br>31 December |                   | For the years ended<br>31 December |                  | For the years ended<br>31 December |                    |
|                                                        | 2016<br>Baht                       | 2015<br>Baht      | 2016<br>Baht                       | 2015<br>Baht     | 2016<br>Baht                       | 2015<br>Baht       |
| <b>Cash flow from operating activities</b>             |                                    |                   |                                    |                  |                                    |                    |
| Cash generated from operations                         | 62,965,768                         | 212,543,444       | (6,802,481)                        | (2,889,449)      | 56,163,287                         | 209,653,995        |
| Interest received                                      | 1,289,593                          | 210,583           | 17,350                             | 51,906           | 1,306,943                          | 262,489            |
| Interest paid                                          | -                                  | -                 | (173,385)                          | (346,951)        | (173,385)                          | (346,951)          |
| Income tax paid                                        | (23,455,198)                       | (5,211,564)       | -                                  | (158)            | (23,455,198)                       | (5,211,722)        |
| Net cash generated from (used in) operating activities | 40,800,163                         | 207,542,463       | (6,958,516)                        | (3,184,652)      | 33,841,647                         | 204,357,811        |
| Net cash generated from (used in) investing activities | 14,561,329                         | (88,280,834)      | 975,140                            | (2,460)          | 15,536,469                         | (88,283,294)       |
| Net cash generated from (used in) financing activities | (114,806,055)                      | (45,024,786)      | 4,360,000                          | (4,000,000)      | (110,446,055)                      | (49,024,786)       |
| Net (decrease)/increase in cash and cash equivalents   | (59,444,563)                       | 74,236,843        | (1,623,376)                        | (7,187,112)      | (61,067,939)                       | 67,049,731         |
| Cash and cash equivalents at beginning of year         | 93,519,130                         | 19,282,287        | 6,976,980                          | 14,164,092       | 100,496,110                        | 33,446,379         |
| <b>Cash and cash equivalents at the end of year</b>    | <b>34,074,567</b>                  | <b>93,519,130</b> | <b>5,353,604</b>                   | <b>6,976,980</b> | <b>39,428,171</b>                  | <b>100,496,110</b> |

The information above is the amount before eliminating inter-company transactions

## 14 Investments in subsidiaries (net) (Cont'd)

The net movement of investments in subsidiaries for the years ended 31 December 2016 and 2015 comprises the following:

|                                                          | Separate<br>financial statements |              |
|----------------------------------------------------------|----------------------------------|--------------|
|                                                          | 2016<br>Baht                     | 2015<br>Baht |
| Opening net book value                                   | 353,099,220                      | 343,929,400  |
| Cash paid for investment in - Last Mile Direct Co., Ltd. | 2,760,000                        | 1,169,820    |
| - TVD Broker Co., Ltd.                                   | 28,000,000                       | 8,000,000    |
| Ending net book value                                    | 383,859,220                      | 353,099,220  |

The movement of shares capital of subsidiaries for the years ended 31 December 2016 and 2015 as follows:

- TVD Services Co., Ltd. (Formerly named "TV Direct Indochina Co., Ltd.")

At the extraordinary meeting of shareholders no. 1/2016 held on 17 May 2016, of TVD Services Co., Ltd., the shareholders approved the reduction of its share capital from Baht 154,400,000 (paid-up share capital of Baht 144,400,000) to Baht 40,000,000 by decreasing registered share capital from 1,544,000 shares of par Baht 100 per share totalling Baht 154,400,000 to 400,000 shares of par Baht 100 per share totalling Baht 40,000,000. The subsidiary registered to decrease its share capital with the Ministry of Commerce on 21 June 2016.

- Last Mile Direct Co., Ltd. (Formerly named "JML Direct (Thailand) Co., Ltd.")

As at 18 December 2015, the Company has additionally invested in ordinary shares of Last Mile Direct Co., Ltd. by Baht 1,169,820 (27,000 ordinary shares at Baht 100 each) which made the Company's shareholding portion increase from 51.00% to 60.00%.

As at 19 December 2016, the Company has additionally invested in ordinary shares of Last Mile Direct Co., Ltd. By Baht 2,760,000 (120,000 ordinary shares at Baht 100 each) which made the Company's shareholding portion increase from 60.00% to 99.99%.

The book value of total assets and total liabilities of Last Mile Direct Co., Ltd. As at the date of additional investment are as follows:

|                                                                      | Baht         |
|----------------------------------------------------------------------|--------------|
| Total assets                                                         | 21,542,847   |
| Total liabilities                                                    | (12,696,729) |
| Net book value of net assets as at the date of additional investment | 8,846,118    |
| Cash payment for investment                                          | (2,760,000)  |
| Increase in non-controlling interest                                 | 3,738,802    |
| Surplus from additional investment in a subsidiary                   | 978,802      |

The Group shall recognise directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

- TVD Broker Co., Ltd.

As at 21 October 2015, at the Board of Directors' Meeting of TVD Broker Co., Ltd., subsidiary, No. 5/2558 held on 21 October 2015, it was approved to increase its share capital from Baht 4,000,000 to Baht 12,000,000 of which TV Direct (Public) Co., Ltd. has wholly invested in its additional shares.

As at 7 November 2016, at the Board of Director's Meeting of TVD Broker Co., Ltd., subsidiary, No. 9/2559 held on 7 November 2016, it was approved to increase its share capital from Baht 12,000,000 to Baht 40,000,000 of which TV Direct (Public) Co., Ltd. has wholly invested in its additional shares.

**14 Investments in subsidiaries (net) (Cont'd)****Disposals of investments in indirect subsidiaries**

- 14.1 As at 30 March 2015, TV Direct Indochina Ltd. sold all investments in Direct Response Television Co., Ltd., TV Direct Lao Co., Ltd. and TVDI Vietnam Co., Ltd. in the totalling amounting of Baht 22,400,000. This transaction removed those companies as subsidiaries since 30 March 2015.

The details of the book value of investment in those companies as at 30 March 2015 are as follows:

|                                                               | Direct Response<br>Television<br>Co., Ltd.<br>Baht | TV Direct Lao<br>Co., Ltd.<br>Baht | TVDI Vietnam<br>Co., Ltd.<br>Baht | Total<br>Baht |
|---------------------------------------------------------------|----------------------------------------------------|------------------------------------|-----------------------------------|---------------|
| Trade and other accounts receivable                           | 828,308                                            | 281,097                            | 104,375                           | 1,213,780     |
| Inventories                                                   | 1,585,125                                          | 1,768,581                          | 2,685,177                         | 6,038,883     |
| Value added tax                                               | -                                                  | 2,511                              | 724,641                           | 727,152       |
| Other current assets                                          | -                                                  | -                                  | 675                               | 675           |
| Equipment (net) (Note 16)                                     | 644,469                                            | 689,752                            | 59,365                            | 1,393,586     |
| Intangible assets (net) (Note 17)                             | 65,459                                             | -                                  | -                                 | 65,459        |
| Other non-current assets                                      | 106,944                                            | -                                  | 178,985                           | 285,929       |
| Translation difference                                        | (156,689)                                          | (891,561)                          | (925,535)                         | (1,973,785)   |
| Non-controlling interests                                     | -                                                  | 884,176                            | -                                 | 884,176       |
|                                                               | 3,073,616                                          | 2,734,556                          | 2,827,683                         | 8,635,855     |
| Selling price of investments<br>In indirect subsidiaries      | (8,500,000)                                        | (8,500,000)                        | (5,400,000)                       | (22,400,000)  |
| Gain from disposal of investments<br>in indirect subsidiaries | (5,426,384)                                        | (5,765,444)                        | (2,572,317)                       | (13,764,145)  |

As at 31 December 2015, remaining balance from sold all investments total amounting to Baht of 11,250,000.

However, the amount was received fully in September 2016 (Note 9).

## 14 Investments in subsidiaries (net) (Cont'd)

Disposals of investments in indirect subsidiaries

- 14.2 As at 30 December 2015, TV direct Indochina Ltd. sold all investments in TV Direct (Malaysia) Sdn. Bhd. In the totalling amounting of Baht 3,000,000. This transaction removed this company as a subsidiary since 30 December 2015.

The details of the book value of investment in this company as at 30 December 2015 are as follows:

|                                                                                                           | <b>TV Direct<br/>(Malaysia)<br/>Sdn. Bhd.<br/>Baht</b> |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Cash and cash equivalents                                                                                 | 4,501,902                                              |
| Trade and other accounts receivable                                                                       | 1,659,877                                              |
| Inventories                                                                                               | 1,807,917                                              |
| Other current assets                                                                                      | 252,342                                                |
| Equipment (net) (Note 16)                                                                                 | 1,649,903                                              |
| Intangible assets (net) (Note 17)                                                                         | 81,474                                                 |
| Other non-current assets                                                                                  | 79,194                                                 |
| Trade and other accounts payable                                                                          | (3,069,244)                                            |
| Other current liabilities                                                                                 | (15,115)                                               |
| Value added tax                                                                                           | (36,671)                                               |
| Translation difference                                                                                    | 508,953                                                |
| Non-controlling interests                                                                                 | 1,622,815                                              |
|                                                                                                           | <hr/> 9,043,347                                        |
| Selling price of investments in indirect subsidiaries                                                     | (3,000,000)                                            |
|                                                                                                           | <hr/> 6,043,347                                        |
| Loss from disposal of investments in indirect subsidiaries                                                |                                                        |
| Proceeds from disposals of investment in indirect subsidiary                                              | 1,000,000                                              |
| <u>Less</u> cash and cash equivalent of indirect subsidiary                                               | (4,501,902)                                            |
|                                                                                                           | <hr/>                                                  |
| Net decrease in cash from disposals of investment in indirect subsidiary<br>(for statement of cash flows) | (3,501,902)                                            |

As at 31 December 2016, remaining balance from sold all indirect investments total amounting to of Baht 1,560,000 (2015 : Baht 2,000,000) (Note 9).

## 15 Investment properties (net)

The movements of investment properties (net) for the years ended 31 December 2016 and 2015 comprise the following:

|                                                                   | Consolidated<br>financial statements |                                  |               | Separate<br>financial statements |                                  |               |
|-------------------------------------------------------------------|--------------------------------------|----------------------------------|---------------|----------------------------------|----------------------------------|---------------|
|                                                                   | Building<br>Baht                     | Building<br>improvements<br>Baht | Total<br>Baht | Building<br>Baht                 | Building<br>improvements<br>Baht | Total<br>Baht |
| <b>For the year ended</b>                                         |                                      |                                  |               |                                  |                                  |               |
| <b>31 December 2015</b>                                           |                                      |                                  |               |                                  |                                  |               |
| Opening net book value                                            | -                                    | -                                | -             | -                                | -                                | -             |
| Additions                                                         | -                                    | -                                | -             | -                                | 10,277,153                       | 10,277,153    |
| Reclassifications from property,<br>plant and equipment (Note 16) | -                                    | -                                | -             | -                                | -                                | -             |
| - cost                                                            | -                                    | -                                | -             | 4,802,889                        | -                                | 4,802,889     |
| - accumulated depreciation                                        | -                                    | -                                | -             | (4,753,723)                      | -                                | (4,753,723)   |
| Depreciation charge (Note 33)                                     | -                                    | -                                | -             | (39,598)                         | (1,069,267)                      | (1,108,865)   |
| Closing net book amount                                           | -                                    | -                                | -             | 9,568                            | 9,207,886                        | 9,271,454     |
| <b>As at 31 December 2015</b>                                     |                                      |                                  |               |                                  |                                  |               |
| Cost                                                              | -                                    | -                                | -             | 4,802,889                        | 10,277,153                       | 15,080,042    |
| Less Accumulated depreciation                                     | -                                    | -                                | -             | (4,793,321)                      | (1,069,267)                      | (5,862,588)   |
| Net book value                                                    | -                                    | -                                | -             | 9,568                            | 9,207,886                        | 9,271,454     |
| <b>For the year ended</b>                                         |                                      |                                  |               |                                  |                                  |               |
| <b>31 December 2016</b>                                           |                                      |                                  |               |                                  |                                  |               |
| Opening net book value                                            | -                                    | -                                | -             | 9,568                            | 9,207,886                        | 9,271,454     |
| Additions                                                         | -                                    | -                                | -             | -                                | 79,000                           | 79,000        |
| Depreciation charge (Note 33)                                     | -                                    | -                                | -             | (8,728)                          | (2,067,777)                      | (2,076,505)   |
| Closing net book amount                                           | -                                    | -                                | -             | 840                              | 7,219,109                        | 7,219,949     |
| <b>As at 31 December 2016</b>                                     |                                      |                                  |               |                                  |                                  |               |
| Cost                                                              | -                                    | -                                | -             | 4,802,889                        | 10,356,153                       | 10,836,442    |
| Less Accumulated depreciation                                     | -                                    | -                                | -             | (4,802,049)                      | (3,137,044)                      | (7,939,093)   |
| Net book value                                                    | -                                    | -                                | -             | 840                              | 7,219,109                        | 7,219,949     |

Fair value of investment properties as at 31 December 2016 amount is Baht 9,537,452 (2015 : Baht 12,906,335).

The Group's managements have estimated fair value of investment properties as at 31 December 2016 and 2015 by using the discount cash flow projections methods based on reliable estimates of future cash flows, supported by the terms of existing lease and other contracts and discounted by company's weighted average cost of capital. (Fair value level 2)

As at 31 December 2016, the gross carrying amount of fully depreciated buildings that are still in used as included in the separate financial statements were Baht 4,784,889 (2015 : nil).

Amounts recognised in the profit or loss that are related to investment properties are as follows:

|                                                                                                                 | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                                                                                 | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| Rental income                                                                                                   | -                                    | -            | 3,244,000                        | 2,353,320    |
| Direct operating expense arise from<br>investment property that generated<br>rental income for the year         | -                                    | -            | 2,076,505                        | 1,108,866    |
| Direct operating expense arise from<br>investment property that did not<br>generated rental income for the year | -                                    | -            | -                                | -            |

## 16 Property, plant and equipment (net)

| Consolidated financial statements (Baht)                        |             |                                   |              |                          |                                                     |             |                             |               |
|-----------------------------------------------------------------|-------------|-----------------------------------|--------------|--------------------------|-----------------------------------------------------|-------------|-----------------------------|---------------|
|                                                                 | Land        | Land<br>for lease<br>improvements | Building     | Building<br>improvements | Building<br>and fixtures<br>and office<br>equipment | Vehicles    | Construction<br>in progress | Total         |
| <b>As at 1 January 2015</b>                                     |             |                                   |              |                          |                                                     |             |                             |               |
| Cost                                                            | 60,555,276  | 8,709,902                         | 115,756,951  | 75,425,407               | 303,818,861                                         | 1,909,417   | 1,117,891                   | 567,293,705   |
| Surplus from revaluation                                        | 31,645,490  | -                                 | -            | -                        | -                                                   | -           | -                           | 31,645,490    |
| Less: Accumulated depreciation                                  | -           | (3,616,592)                       | (17,255,294) | (35,454,998)             | (178,356,649)                                       | (1,885,624) | -                           | (236,569,157) |
| Allowance for impairment of assets                              | (500,000)   | -                                 | -            | -                        | -                                                   | -           | -                           | (500,000)     |
| Net book value                                                  | 91,700,766  | 5,093,310                         | 98,501,657   | 39,970,409               | 125,462,212                                         | 23,793      | 1,117,891                   | 361,870,038   |
| <b>For the year ended 31 December 2015</b>                      |             |                                   |              |                          |                                                     |             |                             |               |
| Opening net book value                                          | 91,700,766  | 5,093,310                         | 98,501,657   | 39,970,409               | 125,462,212                                         | 23,793      | 1,117,891                   | 361,870,038   |
| Additions                                                       | 28,871,013  | -                                 | -            | 16,148,973               | 14,343,046                                          | -           | 9,720,526                   | 69,083,558    |
| Transfers in (out)                                              | -           | -                                 | -            | -                        | 3,122,611                                           | -           | (3,122,611)                 | -             |
| Surplus from assets revaluation                                 | 26,904,114  | -                                 | -            | -                        | -                                                   | -           | -                           | 26,904,114    |
| Disposal - cost                                                 | -           | -                                 | -            | (3,577,696)              | (6,707,528)                                         | -           | (1,168,587)                 | (11,453,808)  |
| - accumulated depreciation                                      | -           | -                                 | -            | 3,489,040                | 5,569,615                                           | -           | -                           | 9,058,655     |
| Decrease from disposal of investments in subsidiaries (Note 14) | -           | -                                 | -            | -                        | (7,236,719)                                         | (61,704)    | -                           | (7,298,423)   |
| - cost                                                          | -           | -                                 | -            | -                        | 4,213,978                                           | 40,956      | -                           | 4,254,934     |
| - accumulated amortisation                                      | 500,000     | -                                 | -            | -                        | -                                                   | -           | -                           | 500,000       |
| Reversal of allowance for impairment of assets                  | -           | -                                 | -            | -                        | -                                                   | -           | -                           | -             |
| Depreciation charge (Note 33)                                   | -           | (1,619,834)                       | (597,045)    | (11,047,301)             | (42,891,826)                                        | (3,042)     | -                           | (56,159,048)  |
| Closing net book value                                          | 147,975,893 | 3,473,476                         | 97,904,612   | 44,983,425               | 95,875,389                                          | 3           | 6,547,219                   | 396,760,017   |
| <b>As at 31 December 2015</b>                                   |             |                                   |              |                          |                                                     |             |                             |               |
| Cost                                                            | 89,426,289  | 8,709,902                         | 115,756,951  | 87,996,684               | 307,340,271                                         | 1,848,381   | 6,547,219                   | 617,625,697   |
| Surplus from revaluation                                        | 58,549,604  | -                                 | -            | -                        | -                                                   | -           | -                           | 58,549,604    |
| Less: Accumulated depreciation                                  | -           | (5,236,426)                       | (22,852,339) | (43,013,259)             | (211,464,882)                                       | (1,848,378) | -                           | (284,415,284) |
| Allowance for impairment of assets                              | -           | -                                 | -            | -                        | -                                                   | -           | -                           | -             |
| Net book value                                                  | 147,975,893 | 3,473,476                         | 92,904,612   | 44,983,425               | 95,875,389                                          | 3           | 6,547,219                   | 391,760,017   |



16 Property, plant and equipment (net) (Cont'd)



## 16 Property, plant and equipment (net) (Cont'd)

|                                            | Separate financial statements (Baht) |                             |              |                       |                                             |             |                          |               |
|--------------------------------------------|--------------------------------------|-----------------------------|--------------|-----------------------|---------------------------------------------|-------------|--------------------------|---------------|
|                                            | Land                                 | Land for lease improvements | Building     | Building improvements | Furniture and fixtures and office equipment | Vehicles    | Construction in progress | Total         |
| <b>For the year ended 31 December 2016</b> |                                      |                             |              |                       |                                             |             |                          |               |
| Opening net book value                     | 109,366,000                          | 3,473,476                   | 69,423,491   | 30,972,585            | 81,877,904                                  | 3           | 467,219                  | 295,580,678   |
| Additions                                  | -                                    | 383,100                     | -            | 2,188,510             | 11,279,889                                  | -           | 7,090,669                | 20,942,168    |
| Transfers in (out)                         | -                                    | -                           | -            | 2,588,820             | 3,226,352                                   | -           | (5,815,172)              | -             |
| Disposal - cost                            | -                                    | -                           | -            | (271,198)             | (6,198,330)                                 | -           | -                        | (6,469,528)   |
| - accumulated depreciation                 | -                                    | -                           | -            | 271,197               | 5,260,505                                   | -           | -                        | 5,531,702     |
| Depreciation change (Note33)               | -                                    | (1,637,801)                 | (4,318,319)  | (10,283,485)          | (33,264,923)                                | -           | -                        | (49,504,528)  |
| Closing net book value                     | 109,366,000                          | 2,218,775                   | 65,105,172   | 25,466,429            | 62,181,397                                  | 3           | 1,742,716                | 266,080,492   |
| <b>As at 31 December 2016</b>              |                                      |                             |              |                       |                                             |             |                          |               |
| Cost                                       | 50,816,396                           | 9,093,002                   | 81,738,062   | 77,422,709            | 289,807,044                                 | 1,848,381   | 1,742,716                | 512,468,310   |
| Surplus from revaluation                   | 58,549,604                           | -                           | -            | -                     | -                                           | -           | -                        | 58,549,604    |
| Less: Accumulated depreciation             | -                                    | (6,874,227)                 | (16,632,890) | (51,956,280)          | (227,625,647)                               | (1,848,378) | -                        | (304,937,422) |
| Net book value                             | 109,366,000                          | 2,218,775                   | 65,105,172   | 25,466,429            | 62,181,397                                  | 3           | 1,742,716                | 266,080,492   |

As at 31 December 2016 and 2015, land and its construction are being used as collaterals of borrowings of the Company (Note 20 and 22).

As at 31 December 2016, the gross carrying amount of fully depreciated plant and equipment that are still in used as included in the consolidated and separate financial statements were Baht 164,689,732 and Baht 159,676,528 (2015 : Baht 138,636,368 and Baht 115,005,181), respectively.

The Company has assessed the fair value of land as at 31 December 2015 using market approach by independent professionally qualified valuer, who has experience in the location and type of land (Fair value level 2).

**16 Property, plant and equipment (net) (Cont'd)**

Depreciation for the years ended 31 December 2016 and 2015 comprised the following:

| Depreciation is presented within | Consolidated<br>financial statements |                   | Separate<br>financial statements |                   |
|----------------------------------|--------------------------------------|-------------------|----------------------------------|-------------------|
|                                  | 2016<br>Baht                         | 2015<br>Baht      | 2016<br>Baht                     | 2015<br>Baht      |
| Selling expenses                 | 28,733,992                           | 32,031,958        | 28,698,602                       | 32,024,639        |
| Administrative expenses          | 29,820,345                           | 29,183,809        | 20,805,926                       | 22,733,946        |
|                                  | <u>58,554,337</u>                    | <u>61,215,767</u> | <u>49,504,528</u>                | <u>54,758,585</u> |

As at 31 December 2016 and 2015, leased asset included above, where the Group is the lessee under finance lease and hire purchase agreements, comprise furniture and fixtures, office equipment as follows:

|                                      | Consolidated<br>financial statements |                     | Separate<br>financial statements |                     |
|--------------------------------------|--------------------------------------|---------------------|----------------------------------|---------------------|
|                                      | 2016<br>Baht                         | 2015<br>Baht        | 2016<br>Baht                     | 2015<br>Baht        |
| Cost                                 | 24,274,100                           | 48,329,140          | 10,349,100                       | 34,404,140          |
| <u>Less</u> Accumulated amortisation | <u>(12,168,823)</u>                  | <u>(23,889,944)</u> | <u>(4,965,974)</u>               | <u>(19,472,095)</u> |
| Net book amount                      | <u>12,105,277</u>                    | <u>24,439,196</u>   | <u>5,383,126</u>                 | <u>14,932,045</u>   |

**17 Intangible assets (net)**

|                                                                 | Computer software                               |                                             |
|-----------------------------------------------------------------|-------------------------------------------------|---------------------------------------------|
|                                                                 | Consolidated<br>financial<br>statements<br>Baht | Separate<br>financial<br>statements<br>Baht |
| <b>As at 1 January 2015</b>                                     |                                                 |                                             |
| Cost                                                            | 93,552,886                                      | 67,562,010                                  |
| <u>Less</u> Accumulated amortisation                            | <u>(32,806,369)</u>                             | <u>(31,593,432)</u>                         |
| Net book amount                                                 | <u>60,746,517</u>                               | <u>35,968,578</u>                           |
| <b>For the year ended 31 December 2015</b>                      |                                                 |                                             |
| Opening net book amount                                         | 60,746,517                                      | 35,968,578                                  |
| Additions                                                       | 13,161,430                                      | 8,500,830                                   |
| Decrease from disposal of investments in subsidiaries (Note 14) |                                                 |                                             |
| - cost                                                          | (420,338)                                       | -                                           |
| - accumulated amortisation                                      | 273,405                                         | -                                           |
| Disposal - cost                                                 | (3,750)                                         | -                                           |
| - accumulated amortisation                                      | 324                                             | -                                           |
| Amortisation charge (Note 33)                                   | <u>(11,165,974)</u>                             | <u>(8,474,983)</u>                          |
| Closing net book value                                          | <u>62,591,614</u>                               | <u>35,994,425</u>                           |
| <b>As at 31 December 2015</b>                                   |                                                 |                                             |
| Cost                                                            | 106,289,899                                     | 76,062,840                                  |
| <u>Less</u> Accumulated amortisation                            | <u>(43,698,285)</u>                             | <u>(40,068,415)</u>                         |
| Net book amount                                                 | <u>62,591,614</u>                               | <u>35,994,425</u>                           |
| <b>For the year ended 31 December 2016</b>                      |                                                 |                                             |
| Opening net book amount                                         | 62,591,614                                      | 35,994,425                                  |
| Additions                                                       | 21,492,231                                      | 13,622,331                                  |
| Disposal - cost                                                 | (12,557,699)                                    | (12,557,699)                                |
| - accumulated amortisation                                      | 12,557,691                                      | 12,557,691                                  |
| Amortisation charge (Note 33)                                   | <u>(14,490,612)</u>                             | <u>(11,063,573)</u>                         |
| Closing net book value                                          | <u>69,593,225</u>                               | <u>38,553,175</u>                           |
| <b>As at 31 December 2016</b>                                   |                                                 |                                             |
| Cost                                                            | 115,273,782                                     | 77,127,472                                  |
| <u>Less</u> Accumulated amortisation                            | <u>(45,680,557)</u>                             | <u>(38,574,297)</u>                         |
| Net book amount                                                 | <u>69,593,225</u>                               | <u>38,553,175</u>                           |

## 17 Intangible assets (net) (Cont'd)

As at 31 December 2016 and 2015, leased computer software included above, where the Company is a lessee are as follows:

|                                      | Consolidated / Separate<br>financial statements |              |
|--------------------------------------|-------------------------------------------------|--------------|
|                                      | 2016<br>Baht                                    | 2015<br>Baht |
| Cost                                 | -                                               | 3,308,340    |
| <u>Less</u> Accumulated amortisation | -                                               | (1,958,459)  |
| Net book amount                      | -                                               | 1,349,881    |

Amortisation for the years ended 31 December 2016 and 2015 comprised the following:

|                                         | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|-----------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                         | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| <b>Amortisation is presented within</b> |                                      |              |                                  |              |
| Selling expenses                        | 2,079,447                            | 2,605,213    | 2,028,147                        | 2,576,345    |
| Administrative expense                  | 12,411,165                           | 8,560,761    | 9,035,426                        | 5,898,638    |
|                                         | 14,490,612                           | 11,165,974   | 11,063,573                       | 8,474,983    |

## 18 Deferred income taxes (net)

Deferred income taxes (net) as at 31 December 2016 and 2015 comprise the following:

|                                        | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|----------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                        | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| <b>Deferred tax assets:</b>            |                                      |              |                                  |              |
| Deferred tax assets to be recovered    |                                      |              |                                  |              |
| - within 12 months                     | 5,344,000                            | 6,148,153    | 2,349,323                        | 2,694,838    |
| - more than 12 months                  | 57,290,294                           | 53,438,272   | 30,344,547                       | 28,520,023   |
| Total deferred tax assets              | 62,634,294                           | 59,586,425   | 32,693,870                       | 31,214,861   |
| <b>Deferred tax liabilities:</b>       |                                      |              |                                  |              |
| Deferred tax liabilities to be settled |                                      |              |                                  |              |
| - within 12 months                     | (1,661,532)                          | (1,663,754)  | (1,104,532)                      | (1,106,754)  |
| - more than 12 months                  | (13,321,667)                         | (15,104,852) | (12,478,229)                     | (13,589,576) |
| Total deferred tax liabilities         | (14,983,199)                         | (16,768,606) | (13,582,761)                     | (14,696,330) |
| <b>Deferred tax assets (net)</b>       | 47,651,095                           | 42,817,819   | 19,111,109                       | 16,518,531   |

On 22 January 2016, the National Legislative Assembly approved the draft on Act to change the statutory corporate income tax rate in the Revenue Code from 30% to 20%. The change will be effective for companies and juristic partnerships with accounting periods beginning on or after 1 January 2016. Then deferred tax have been measured using tax rate of 20%. This Act had already been published in the Royal Gazette on 4 March 2016.

## 18 Deferred income taxes (net) (Cont'd)

The movement of deferred taxes for the years ended 31 December 2016 and 2015 comprises the following:

|                                                     | Consolidated financial statements |              | Separate financial statements |              |
|-----------------------------------------------------|-----------------------------------|--------------|-------------------------------|--------------|
|                                                     | 2016<br>Baht                      | 2015<br>Baht | 2016<br>Baht                  | 2015<br>Baht |
| Opening balance                                     | 42,817,819                        | 27,444,755   | 16,518,531                    | 3,900,221    |
| Increase/(decrease) to the profit or loss (Note 35) | 4,718,438                         | 20,708,647   | 2,592,578                     | 17,999,133   |
| Increase/(decrease) to other comprehensive income   | 114,838                           | (5,335,583)  | -                             | (5,380,823)  |
| Closing balance                                     | 47,651,095                        | 42,817,819   | 19,111,109                    | 16,518,531   |

|                                                                                                            | Consolidated financial statements |                                     |                                          |                             |
|------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------|------------------------------------------|-----------------------------|
|                                                                                                            | Debit (credit) to                 |                                     |                                          |                             |
|                                                                                                            | 1 January<br>2016<br>Baht         | (Note 35)<br>Profit or loss<br>Baht | Other<br>comprehensive<br>income<br>Baht | 31 December<br>2016<br>Baht |
| <b>Deferred tax assets:</b>                                                                                |                                   |                                     |                                          |                             |
| Allowance for doubtful accounts                                                                            | 7,979,612                         | 934,938                             | -                                        | 8,914,550                   |
| Allowance for obsolete and slow-moving inventories                                                         | 2,622,086                         | (143,587)                           | -                                        | 2,478,499                   |
| Allowance for inventories cost in excess of net<br>realisable value                                        | 46,818                            | 10,431                              | -                                        | 57,249                      |
| Discount from purchase of business under common<br>control recognised as intangible assets for tax purpose | 21,205,479                        | (2,500,000)                         | -                                        | 18,705,479                  |
| Difference between accounting base<br>and tax base from                                                    |                                   |                                     |                                          |                             |
| - value of property, plant and equipment                                                                   | 3,807,588                         | (285,179)                           | -                                        | 3,522,409                   |
| - other intangible assets                                                                                  | 2,909,756                         | (66,226)                            | -                                        | 2,843,530                   |
| Liabilities under finance lease and hire purchase<br>agreements (net)                                      | 2,540,615                         | (1,843,899)                         | -                                        | 696,716                     |
| Provision for goods returned                                                                               | 144,820                           | (56,370)                            | -                                        | 88,450                      |
| Employee benefit obligations                                                                               | 2,402,529                         | 1,290,737                           | -                                        | 3,693,266                   |
| Taxable loss carried forward                                                                               | 15,927,122                        | 5,707,024                           | -                                        | 21,634,146                  |
| <b>Total deferred tax assets</b>                                                                           | <b>59,586,425</b>                 | <b>3,047,869</b>                    | <b>-</b>                                 | <b>62,634,294</b>           |
| <b>Deferred tax liabilities:</b>                                                                           |                                   |                                     |                                          |                             |
| Surplus from land revaluation                                                                              | (11,709,921)                      | -                                   | -                                        | (11,709,921)                |
| Gain on measurement available-for-sale investments                                                         | (170,846)                         | -                                   | 114,838                                  | (56,008)                    |
| Assets under finance lease and hire purchase<br>agreements (net)                                           | (4,887,839)                       | 1,670,569                           | -                                        | (3,217,270)                 |
| <b>Total deferred tax liabilities</b>                                                                      | <b>(16,768,606)</b>               | <b>1,670,569</b>                    | <b>114,838</b>                           | <b>(14,983,199)</b>         |
| <b>Deferred tax assets (net)</b>                                                                           | <b>42,817,819</b>                 | <b>4,718,438</b>                    | <b>114,838</b>                           | <b>47,651,095</b>           |

## 18 Deferred income taxes (net) (Cont'd)

The movement of deferred income taxes (net) for the years ended 31 December 2016 and 2015 comprises the following: (Cont'd)

Following: (Cont'd)

|                                                                                                            | Consolidated financial statements |                                     |                                          |                             |
|------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------|------------------------------------------|-----------------------------|
|                                                                                                            | Debit (credit) to                 |                                     |                                          |                             |
|                                                                                                            | 1 January<br>2015<br>Baht         | (Note 35)<br>Profit or loss<br>Baht | Other<br>comprehensive<br>income<br>Baht | 31 December<br>2015<br>Baht |
| <b>Deferred tax assets:</b>                                                                                |                                   |                                     |                                          |                             |
| Allowance for doubtful accounts                                                                            | 5,695,597                         | 2,284,015                           | -                                        | 7,979,612                   |
| Allowance for obsolete and slow-moving inventories                                                         | 1,994,120                         | 627,966                             | -                                        | 2,622,086                   |
| Allowance for inventories cost in excess of<br>net realisable value                                        | 74,738                            | (27,920)                            | -                                        | 46,818                      |
| Allowance for impairment of assets                                                                         | 100,000                           | (100,000)                           | -                                        | -                           |
| Discount from purchase of business under common<br>control recognised as intangible assets for tax purpose | 23,705,479                        | (2,500,000)                         | -                                        | 21,205,479                  |
| Difference between accounting base<br>and tax base from                                                    |                                   |                                     |                                          |                             |
| - property, plant and equipment                                                                            | -                                 | 3,807,588                           | -                                        | 3,807,588                   |
| - other intangible assets                                                                                  | 2,562,347                         | 347,409                             | -                                        | 2,909,756                   |
| Liabilities under finance lease and hire purchase<br>agreements (net)                                      | 4,194,403                         | (1,653,788)                         | -                                        | 2,540,615                   |
| Provision for goods returned                                                                               | 118,463                           | 26,357                              | -                                        | 144,820                     |
| Employee benefit obligations                                                                               | 1,723,329                         | 679,200                             | -                                        | 2,402,529                   |
| Taxable loss carried forward                                                                               | -                                 | 15,927,122                          | -                                        | 15,927,122                  |
|                                                                                                            | 40,168,476                        | 19,417,949                          | -                                        | 59,586,425                  |
| <b>Deferred tax liabilities:</b>                                                                           |                                   |                                     |                                          |                             |
| Surplus from land revaluation                                                                              | (6,329,098)                       | -                                   | (5,380,823)                              | (11,709,921)                |
| Gain on measurement available-for-sale investments                                                         | (216,086)                         | -                                   | 45,240                                   | (170,846)                   |
| Assets under finance lease and hire purchase agreements                                                    | (6,178,537)                       | 1,290,698                           | -                                        | (4,887,839)                 |
|                                                                                                            | (12,723,721)                      | 1,290,698                           | (5,335,583)                              | (16,768,606)                |
|                                                                                                            | 27,444,755                        | 20,708,647                          | (5,335,583)                              | 42,817,819                  |
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## 18 Deferred income taxes (net) (Cont'd)

The movement of deferred income taxes (net) for the years ended 31 December 2016 and 2015 comprises the following: (Cont'd)

|                                                                                    | Separate financial statements |                                     |                                                         | 31 December 2015<br>Baht |
|------------------------------------------------------------------------------------|-------------------------------|-------------------------------------|---------------------------------------------------------|--------------------------|
|                                                                                    | 1 January 2015<br>Baht        | (Note 35)<br>Profit or loss<br>Baht | Debit (credit) to<br>Other comprehensive income<br>Baht |                          |
| <b>Deferred tax assets:</b>                                                        |                               |                                     |                                                         |                          |
| Allowance for doubtful accounts                                                    | 5,584,992                     | 2,394,620                           | -                                                       | 7,979,612                |
| Allowance for obsolete and slow-moving inventories                                 | 1,893,598                     | 728,488                             | -                                                       | 2,622,086                |
| Allowance for inventories cost in excess of net realisable value                   | 41,276                        | 5,542                               | -                                                       | 46,818                   |
| Allowance for impairment of assets                                                 | 100,000                       | (100,000)                           | -                                                       | -                        |
| Difference between accounting base and tax base for intangible assets amortisation | 2,562,347                     | 347,409                             | -                                                       | 2,909,756                |
| Liabilities under finance lease and hire purchase agreements (net)                 | 1,925,421                     | (751,371)                           | -                                                       | 1,174,050                |
| Provision for goods returned                                                       | 118,463                       | 26,357                              | -                                                       | 144,820                  |
| Employee benefit obligations                                                       | 1,723,329                     | 500,815                             | -                                                       | 2,224,144                |
| Taxable loss carried forward                                                       | -                             | 14,113,575                          | -                                                       | 14,113,575               |
|                                                                                    | <u>13,949,426</u>             | <u>17,265,435</u>                   | <u>-</u>                                                | <u>31,214,861</u>        |
| <b>Deferred tax liabilities:</b>                                                   |                               |                                     |                                                         |                          |
| Surplus from land revaluation                                                      | (6,329,098)                   | -                                   | (5,380,823)                                             | (11,709,921)             |
| Assets under finance lease and hire purchase Agreements (net)                      | (3,720,107)                   | 733,698                             | -                                                       | (2,986,409)              |
|                                                                                    | <u>(10,049,205)</u>           | <u>733,698</u>                      | <u>(5,380,823)</u>                                      | <u>(14,696,330)</u>      |
|                                                                                    | <u>3,900,221</u>              | <u>17,999,133</u>                   | <u>(5,380,823)</u>                                      | <u>16,518,531</u>        |

## 19 Other non-current assets

|                                | Consolidated financial statements |                   | Separate financial statements |                   |
|--------------------------------|-----------------------------------|-------------------|-------------------------------|-------------------|
|                                | 2015<br>Baht                      | 2015<br>Baht      | 2016<br>Baht                  | 2015<br>Baht      |
| Deposits guarantee for         | 23,677,428                        | 26,598,006        | 23,426,128                    | 26,598,006        |
| - rental                       |                                   |                   |                               |                   |
| - airtime rental               |                                   |                   |                               |                   |
| - other companies              | 4,240,000                         | -                 | -                             | -                 |
| - related company (Note 37 c)) | -                                 | -                 | 4,368,048                     | -                 |
| - others                       | 8,324,940                         | 7,997,329         | 8,123,340                     | 7,984,729         |
| Others                         | 2,065,643                         | 1,776,846         | 2,057,143                     | 1,776,846         |
|                                | <u>38,308,011</u>                 | <u>36,372,181</u> | <u>37,974,659</u>             | <u>36,359,581</u> |

## 20 Bank overdrafts and short-term borrowings from financial institutions (net)

| Type of short-term borrowings     | Consolidated / Separate financial statements |                    |
|-----------------------------------|----------------------------------------------|--------------------|
|                                   | 2016<br>Baht                                 | 2015<br>Baht       |
| Bank overdrafts                   | -                                            | 24,972             |
| Promissory notes                  | 110,000,000                                  | 17,904,387         |
| Letter of credit / Trust receipts | 274,781,342                                  | 205,528,200        |
| Bills of exchange (net)           | -                                            | 148,919,007        |
|                                   | <u>384,781,342</u>                           | <u>372,376,566</u> |

## 20 Bank overdrafts and short-term borrowings from financial institutions (net) (Cont'd)

As at 31 December 2016 and 2015, the outstanding bank overdrafts and short-term borrowings from the financial institutions were as follows:

| Security name                   | Currency | Consolidated / Separate financial statements |             |                         |             |                             |             |                               |                             |                                                                           |      |
|---------------------------------|----------|----------------------------------------------|-------------|-------------------------|-------------|-----------------------------|-------------|-------------------------------|-----------------------------|---------------------------------------------------------------------------|------|
|                                 |          | Amount                                       |             | Baht or Baht equivalent |             | Interest rate (% per annum) |             | Due for payment               |                             | Pledged                                                                   |      |
|                                 |          | 2016                                         | 2015        | 2016                    | 2015        | 2016                        | 2015        | 2016                          | 2015                        | 2016                                                                      | 2015 |
| Bank overdrafts                 | Baht     | -                                            | 24,972      | -                       | 24,972      | -                           | 5.68 - 7.50 | -                             | -                           | ←                                                                         | →    |
| Promissory notes                | Baht     | 110,000,000                                  | 16,120,865  | 110,000,000             | 16,120,865  | 4.40 - 4.75                 | 4.90        | January 2017 to February 2017 | May 2016                    | ←                                                                         | →    |
|                                 | USD      | -                                            | 49,195      | -                       | 1,783,522   | -                           | 2.3         | -                             | January 2016                | - Fixed deposits (Note 12)<br>- Land and including construction (Note 16) | →    |
|                                 | Baht     | 231,888,553                                  | 7,971,955   | 231,888,553             | 7,971,955   | 2.20 - 4.00                 | 5.25        | January 2017 to May 2017      | January 2016                | →                                                                         | →    |
| Letter of credit/trust receipts | USD      | 559,343                                      | 5,498,451   | 21,331,212              | 197,556,245 | 2.15 - 2.67                 | 1.90 - 2.53 | January 2017 to May 2017      | February 2016 to April 2016 | →                                                                         | →    |
|                                 | EUR      | 598,891                                      | -           | 21,561,577              | -           | 2.10 - 2.56                 | -           | January 2017 to April 2017    | -                           | →                                                                         | →    |
|                                 | Baht     | -                                            | 148,919,007 | -                       | 148,919,007 | -                           | 3.80 - 4.15 | -                             | February 2016 to April 2016 | →                                                                         | →    |
| Bills of exchange (net)         | Baht     | -                                            | 148,919,007 | -                       | 148,919,007 | -                           | 3.80 - 4.15 | -                             | February 2016 to April 2016 | →                                                                         | →    |
|                                 |          |                                              |             | 384,781,342             | 372,376,566 |                             |             |                               |                             |                                                                           |      |

## 20 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)

The movement of bank overdrafts and short-term borrowings from financial institutions (net) for the year ended 31 December 2016 and 2015 is as follows:

|                                              | Consolidated / Separate financial statements |                          |                                         |                           |                                |                                 |                 |
|----------------------------------------------|----------------------------------------------|--------------------------|-----------------------------------------|---------------------------|--------------------------------|---------------------------------|-----------------|
|                                              | Bank overdrafts<br>Baht                      | Promissory notes<br>Baht | Letter of credit/trust receipts<br>Baht | Bills of exchange (net)   |                                |                                 | Total Baht      |
|                                              |                                              |                          |                                         | Bills of exchange<br>Baht | Less Deferred interest<br>Baht | Bills of exchange (net)<br>Baht |                 |
| Net book value as at 1 January 2015          | -                                            | 7,881,097                | 206,463,182                             | 120,000,000               | (649,714)                      | 119,350,286                     | 333,694,565     |
| Additions                                    | 73,536,026                                   | 155,000,168              | 425,486,768                             | 210,000,000               | (4,200,898)                    | 205,799,102                     | 859,822,064     |
| Repayments                                   | (73,511,054)                                 | (144,954,428)            | (429,078,771)                           | (180,000,000)             | -                              | (180,000,000)                   | (827,544,253)   |
| Net (gain) loss from exchange rate (Note 34) | -                                            | -                        | 3,424,115                               | -                         | -                              | -                               | 3,424,115       |
| - realised                                   | -                                            | -                        | (767,094)                               | -                         | -                              | -                               | (769,544)       |
| - unrealised                                 | -                                            | (22,450)                 | -                                       | -                         | 3,769,619                      | 3,769,619                       | 3,769,619       |
| Amortisation of deferred interest            | -                                            | -                        | -                                       | -                         | -                              | -                               | -               |
| Net book value as at 31 December 2015        | 24,972                                       | 17,904,387               | 205,528,200                             | 150,000,000               | (1,080,993)                    | 148,919,007                     | 372,376,566     |
| Additions                                    | -                                            | 316,729,125              | 875,544,669                             | 100,000,000               | (1,022,854)                    | 98,977,146                      | 1,291,250,940   |
| Repayments                                   | (24,972)                                     | (224,622,160)            | (804,693,647)                           | (250,000,000)             | -                              | (250,000,000)                   | (1,279,340,779) |
| Net gain from exchange rate (Note 34)        | -                                            | -                        | 292,853                                 | -                         | -                              | -                               | 281,501         |
| - realised                                   | -                                            | (11,352)                 | (1,890,733)                             | -                         | -                              | -                               | (1,890,733)     |
| - unrealised                                 | -                                            | -                        | -                                       | -                         | 2,103,847                      | 2,103,847                       | 2,103,847       |
| Amortisation of deferred interest            | -                                            | -                        | -                                       | -                         | -                              | -                               | -               |
| Net book value as at 31 December 2016        | -                                            | 110,000,000              | 274,781,342                             | -                         | -                              | -                               | 384,781,342     |



## 20 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)

As at 31 December 2016 and 2015, credit facilities from 4 financial institutions consists of:

| Type                                     | 2016<br>Million Baht | 2015<br>Million Baht |
|------------------------------------------|----------------------|----------------------|
| <u>Company</u>                           |                      |                      |
| Bank overdrafts                          | 50                   | 50                   |
| Bank overdrafts (buyer credit)           | 20                   | 20                   |
| Short-term borrowings - promissory notes | 110                  | 110                  |
| Letter of credit/trust receipts          | 505                  | 480                  |
| Letter of bank guarantees                | 55                   | 55                   |
| Foreign currencies forward contracts     | 505                  | 500                  |
| Total credit lines                       | 1,245                | 1,215                |
| <u>Less</u> Used credit lines            | (527)                | (844)                |
| Total unused credit lines                | 718                  | 371                  |
| <u>Subsidiary</u>                        |                      |                      |
| Unused credit lines                      | 10                   | 10                   |

## 21 Trade and other accounts payable

|                                                           | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|-----------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                           | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| Trade accounts payable - other companies                  | 298,468,094                          | 343,746,954  | 133,586,383                      | 162,202,082  |
| - related parties<br>(Note 37 c))                         | -                                    | 313,671      | 6,848,294                        | 4,457,023    |
| Other accounts payable - other companies                  | 29,488,734                           | 35,193,311   | 24,172,094                       | 29,322,763   |
| - related parties<br>(Note 37 c))                         | 374,315                              | 165,769      | 15,960,142                       | 351,501      |
| Accounts payable from purchase of                         |                                      |              |                                  |              |
| - equipment                                               | 2,067,019                            | 527,247      | 1,017,242                        | 522,557      |
| - intangible assets                                       | 2,978,623                            | 1,566,929    | 1,972,823                        | 207,815      |
| Accrued expenses                                          |                                      |              |                                  |              |
| - Accrued broadcasting right for series                   | 10,000,000                           | 31,695,000   | 10,000,000                       | 31,695,000   |
| - Accrued NBTC fee                                        | 2,146,792                            | 1,720,435    | -                                | -            |
| - Accrued bonus                                           | 2,173,232                            | 819,964      | -                                | -            |
| - Dividend payable                                        | 236,571                              | 183,073      | 236,571                          | 183,073      |
| - Accrued warehouse management &<br>distribution expenses | 10,182,433                           | 6,986,944    | 10,182,433                       | 6,986,944    |
| - Accrued service expenses                                | 772,683                              | 1,739,558    | 772,683                          | 994,558      |
| - Accrued marketing expenses                              | 589,789                              | 3,420,216    | 589,789                          | 3,420,216    |
| - Accrued commission expenses                             | 6,997,502                            | 8,259,797    | 4,303,687                        | 5,076,630    |
| - Accrued consulting expenses                             | 1,667,965                            | 153,818      | 105,995                          | 153,818      |
| - Accrued postage                                         | 1,175,995                            | 1,453,888    | 1,175,995                        | 1,453,888    |
| - Accrued telephone expense                               | 3,157,214                            | 2,683,494    | 3,157,214                        | 2,614,279    |
| - Accrued directors' remuneration expense<br>(Note 37 c)) | 8,000,000                            | -            | 4,000,000                        | -            |
| - Other accrued expenses                                  | 12,214,194                           | 11,739,719   | 11,325,777                       | 9,839,007    |
| Accrued interest expense - other companies                | 1,134,229                            | 558,619      | 1,134,229                        | 558,619      |
| - related parties<br>(Note 37 c))                         | -                                    | 44,455       | -                                | 14,863       |
| Advances received from customers                          | 8,674,849                            | 7,310,692    | 1,675,455                        | 5,240,498    |
| Cash waiting for return to customers                      | 161,469                              | 411,772      | 161,469                          | 411,772      |
| Revenue received in advance                               | 45,780                               | -            | -                                | -            |
| Post dated cheques paid                                   | 224,274                              | -            | -                                | -            |
|                                                           | 402,931,756                          | 460,695,325  | 232,378,275                      | 265,706,906  |

## 22 Long-term borrowing from financial institution

The movement of long-term borrowings from financial institutions for the years ended 31 December 2016 and 2015 comprises:

|                                                                                 | Consolidated / Separate<br>financial statements |              |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------|
|                                                                                 | 2016<br>Baht                                    | 2015<br>Baht |
| Balance as at 1 January                                                         | 51,426,045                                      | 86,629,417   |
| Repayment borrowings                                                            | (22,231,553)                                    | (35,203,372) |
| Balance as at 31 December                                                       | 29,194,492                                      | 51,426,045   |
| <u>Less</u> Current portion of long-term borrowings from financial institutions | (25,431,177)                                    | (24,055,504) |
|                                                                                 | 3,763,315                                       | 27,370,541   |

The Group has long-term borrowing from 2 financial institutions in Thai Baht as follows:

- On 1 March 2012, the Group entered into long-term loan facilities agreement with a commercial bank denominated in Thai Baht in the amount of Baht 100 million for purchasing land and buildings for new office. This borrowing bears interest at the rate of MLR + 1.25% and interest is payable on a monthly basis. The principal is repayable in 60 equal - monthly installment of Baht 2,030,000 each, commencing August 2013. The Group has mortgaged its lands (Note 16). As at 31 December 2016, the total outstanding borrowing amount is Baht 29,194,492 (2015: Baht 51,426,045). There is no restriction related to maintain the financial ratio from a bank.

As at 31 December 2016 and 2015, the fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of MLR per annum (Level 2 of the fair value hierarchy). However, such fair value is close to their carrying amount as the impact of discounting is not significant.

## 23 Liabilities under finance lease agreements (net)

|                                                                                                    | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                                                                    | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| Liabilities under finance lease and hire purchase agreements                                       | 3,863,675                            | 13,213,397   | 1,351,282                        | 6,094,949    |
| <u>Less</u> Future finance charges on finance lease and hire purchase agreements                   | (52,141)                             | (510,319)    | (13,133)                         | (224,695)    |
|                                                                                                    | 3,811,534                            | 12,703,078   | 1,338,149                        | 5,870,254    |
| <u>Less</u> Current portions of liabilities under finance lease and hire purchase agreements (net) | (3,811,534)                          | (9,387,475)  | (1,338,149)                      | (4,620,901)  |
|                                                                                                    | -                                    | 3,315,603    | -                                | 1,249,353    |

Minimum payment to be made in subsequent years are as follows:

|                               | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|-------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                               | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| <u>Due for payment within</u> |                                      |              |                                  |              |
| 1 year                        | 3,863,675                            | 9,857,671    | 1,351,282                        | 4,832,884    |
| 1 year - 5 years              | -                                    | 3,355,726    | -                                | 1,262,065    |
|                               | 3,863,675                            | 13,213,397   | 1,351,282                        | 6,094,949    |

**24 Other current liabilities**

|                              | <b>Consolidated<br/>financial statements</b> |                      | <b>Separate<br/>financial statements</b> |                      |
|------------------------------|----------------------------------------------|----------------------|------------------------------------------|----------------------|
|                              | <b>2016<br/>Baht</b>                         | <b>2015<br/>Baht</b> | <b>2016<br/>Baht</b>                     | <b>2015<br/>Baht</b> |
| Withholding tax payable      | 4,610,644                                    | 4,938,306            | 2,776,152                                | 3,275,774            |
| Social security payable      | 1,621,265                                    | 1,817,269            | 1,018,206                                | 1,378,914            |
| Provision for goods returned | 476,104                                      | 724,098              | 442,248                                  | 724,098              |
| Retention payable            | 1,781,584                                    | 520,015              | 395,200                                  | 520,015              |
| Others                       | 780,064                                      | 975,182              | 771,474                                  | 807,916              |
|                              | <u>9,269,661</u>                             | <u>8,974,870</u>     | <u>5,403,280</u>                         | <u>6,706,717</u>     |

**25 Employee benefit obligations**

As disclosed in accounting policy in Notes 2.16, the employee benefit obligations of Baht 8,896,666 as at 31 December 2010, is recognised on a straight-line basis over five years at approximately Baht 1,779,333 per year.

Employee benefit obligations as at 31 December 2016 and 2015 comprise the following:

|                                   | <b>Consolidated<br/>financial statements</b> |                      | <b>Separate<br/>financial statements</b> |                      |
|-----------------------------------|----------------------------------------------|----------------------|------------------------------------------|----------------------|
|                                   | <b>2016<br/>Baht</b>                         | <b>2015<br/>Baht</b> | <b>2016<br/>Baht</b>                     | <b>2015<br/>Baht</b> |
| Post-employment benefits          | 7,619,136                                    | 5,266,171            | 4,469,431                                | 4,709,696            |
| Other long-term employee benefits | 10,847,193                                   | 7,097,973            | 8,645,203                                | 6,411,023            |
|                                   | <u>18,466,329</u>                            | <u>12,364,144</u>    | <u>13,114,634</u>                        | <u>11,120,719</u>    |

Employee benefit expenses for the years ended 31 December 2016 and 2015 comprise the following:

|                                                                       | <b>Consolidated<br/>financial statements</b> |                      | <b>Separate<br/>financial statements</b> |                      |
|-----------------------------------------------------------------------|----------------------------------------------|----------------------|------------------------------------------|----------------------|
|                                                                       | <b>2016<br/>Baht</b>                         | <b>2015<br/>Baht</b> | <b>2016<br/>Baht</b>                     | <b>2015<br/>Baht</b> |
| Post - employment benefits                                            |                                              |                      |                                          |                      |
| - current service cost                                                | 3,081,147                                    | 2,418,624            | 1,890,412                                | 2,070,647            |
| - interest cost                                                       | 325,382                                      | 251,012              | 209,872                                  | 233,972              |
|                                                                       | <u>3,406,529</u>                             | <u>2,669,636</u>     | <u>2,100,284</u>                         | <u>2,304,619</u>     |
| Other long-term employee benefits                                     |                                              |                      |                                          |                      |
| - current service cost                                                | 3,579,322                                    | 2,723,232            | 2,871,724                                | 2,564,116            |
| - interest cost                                                       | 169,900                                      | 122,820              | 95,712                                   | 106,592              |
|                                                                       | <u>3,749,222</u>                             | <u>2,846,052</u>     | <u>2,967,436</u>                         | <u>2,670,708</u>     |
|                                                                       | <u>7,155,751</u>                             | <u>5,515,688</u>     | <u>5,067,720</u>                         | <u>4,975,327</u>     |
| Initial provision for employee benefits<br>recognised during the year | -                                            | 1,779,334            | -                                        | 1,779,334            |
| Total employee benefit expenses<br>recognised during the year         | <u>7,155,751</u>                             | <u>7,295,022</u>     | <u>5,067,720</u>                         | <u>6,754,661</u>     |

## 25 Employee benefit obligations (Cont'd)

The movement of employee benefits obligation for the year ended 31 December 2016 and 2015 is set out below:

|                                                                                           | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|-------------------------------------------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                                                           | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| <b><u>Initial employee benefit obligations which have not been recognised</u></b>         |                                      |              |                                  |              |
| Opening balance of initial provision for employee benefits which have not been recognised | -                                    | 1,779,334    | -                                | 1,779,334    |
| Recognised as liability during the year                                                   | -                                    | (1,779,334)  | -                                | (1,779,334)  |
| Closing balance of initial provision for employee benefits which have not been recognised | -                                    | -            | -                                | -            |
| <b><u>Employee benefit obligations which are recognised</u></b>                           |                                      |              |                                  |              |
| Opening balance of the recognised provision for employee benefits                         | 12,364,144                           | 9,283,306    | 11,120,719                       | 8,616,645    |
| Initial provision for employee benefits recognised during the year                        | -                                    | 1,779,334    | -                                | 1,779,334    |
| Increase during the year                                                                  | 7,155,751                            | 5,515,688    | 5,067,720                        | 4,975,327    |
| Payment during the year                                                                   | (1,053,566)                          | (4,214,184)  | (758,974)                        | (3,899,086)  |
| Transfer employee benefit obligations to subsidiary company                               | -                                    | -            | 189,027                          | -            |
| Transfer employee benefit obligations to related companies                                | -                                    | -            | (2,503,858)                      | (351,501)    |
| Actuarial gain on defined employee benefit plan                                           | -                                    | -            | -                                | -            |
| Closing balance of the recognised provision for employee benefits                         | 18,466,329                           | 12,364,144   | 13,114,634                       | 11,120,719   |
| Total recognised and non-recognised obligation for employee benefits as at 31 December    | 18,466,329                           | 12,364,144   | 13,114,634                       | 11,120,719   |

During 2016 and 2015, the Company and subsidiaries have transferred staff between each other in order to improve the working system and chain of command for a better flexibility.

The principal actuarial assumptions used were as follows:

|                             | For the years ended<br>31 December 2016 |                                    | For the years ended<br>31 December 2015 |                                    |
|-----------------------------|-----------------------------------------|------------------------------------|-----------------------------------------|------------------------------------|
|                             | Consolidated<br>financial<br>statement  | Separate<br>financial<br>statement | Consolidated<br>financial<br>statement  | Separate<br>financial<br>statement |
| Discount rate (%)           | 3.39%                                   | 3.39%                              | 3.39%                                   | 3.39%                              |
| Future salary increases (%) | 0.00% - 5.00%                           | 0.00% - 5.00%                      | 0.00% - 5.00%                           | 0.00% - 5.00%                      |
| Turnover rate (%)           | 0.00% - 46.99%                          | 0.00% - 46.99%                     | 0.00% - 35.00%                          | 0.00% - 35.00%                     |

## 25 Employee benefit obligations (Cont'd)

Sensitivity analysis for each significant assumption are as follows:

|                         |                | Increase (decrease) to employee benefit obligations |           |                               |           |
|-------------------------|----------------|-----------------------------------------------------|-----------|-------------------------------|-----------|
|                         |                | Consolidated financial statements                   |           | Separate financial statements |           |
| Change in assumption    |                | 2016 Baht                                           | 2015 Baht | 2016 Baht                     | 2015 Baht |
| Discount rate           | Increase by 1% | (1,048,453)                                         | (829,178) | (597,618)                     | (686,725) |
| Discount rate           | Decrease by 1% | 1,194,214                                           | 948,293   | 680,702                       | 785,376   |
| Future salary increases | Increase by 1% | 1,355,551                                           | 963,728   | 772,664                       | 798,159   |
| Future salary increases | Decrease by 1% | (1,199,210)                                         | (854,495) | (683,550)                     | (707,693) |
| Turnover rate           | Increase by 1% | (1,204,402)                                         | (953,220) | (686,509)                     | (789,457) |
| Turnover rate           | Decrease by 1% | 817,832                                             | 663,557   | 466,164                       | 549,558   |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions use the projected unit credit method.

## 26 Warrants

## Warrants to purchase ordinary shares No.1 (TVD-W1)

As at 31 December 2015, the details of warrants to purchase ordinary shares No.1 (TVD-W1) are as follows:

|                            |   |                                                                                                                                                                        |
|----------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type of warrants           | : | Issued in the names of respective holder and negotiable                                                                                                                |
| Term of warrants           | : | 3 years from the issuing date                                                                                                                                          |
| Number of warrants offered | : | 23,500,000 units                                                                                                                                                       |
| Number of warrants issued  | : | 23,499,780 units                                                                                                                                                       |
| Offering price             | : | Baht 0 per unit                                                                                                                                                        |
| Exercise ratio             | : | 1 warrant per 1.383 ordinary shares (which will be changeable)                                                                                                         |
| Exercise price             | : | Baht 2.531 per share (which will be changeable)                                                                                                                        |
| Exercise date              | : | On the last business day of June and December of each year, throughout the term of the warrants and the first exercise date is the last business day of December 2013. |
| The last exercise date     | : | 14 July 2016                                                                                                                                                           |

During the year 2016, the warrants holders exercised their warrants following with exercise ration at 1 warrant per 1.41 ordinary share and exercise price at Baht 2.482 per share, totaling 304,907 ordinary shares, totaling paid-up capital of Baht 756,779 (Note 27). The Company registered the increase in paid-up share capital with Ministry of Commerce on 27 July 2016.

As at 31 December 2016, there is no outstanding balance of unexercised warrants to purchase ordinary shares No. 1 (TVD-W1) as due to its expiration of exercise date (2015 : outstanding balance of unexercised warrants to purchase ordinary share No. 1 (TVD-W1) is 23,499,468 units).

## 27 Share capital and premium on share

|                                                  | Consolidated/Separate financial statements |                         |                       |               |
|--------------------------------------------------|--------------------------------------------|-------------------------|-----------------------|---------------|
|                                                  | Number of shares<br>Shares                 | Ordinary shares<br>Baht | Share premium<br>Baht | Total<br>Baht |
| <b>Registered share capital</b>                  |                                            |                         |                       |               |
| As at 1 January 2015                             | 682,500,070                                | 341,250,035             | -                     | 341,250,035   |
| Increase in registered share capital             | -                                          | -                       | -                     | -             |
| As at 31 December 2015                           | 682,500,070                                | 341,250,035             | -                     | 341,250,035   |
| Increase in registered share capital             | -                                          | -                       | -                     | -             |
| As at 31 December 2016                           | 682,500,070                                | 341,250,035             | -                     | 341,250,035   |
| <b>Issued and fully paid-up share capital</b>    |                                            |                         |                       |               |
| As at 1 January 2015                             | 649,988,443                                | 324,994,222             | 465,065,524           | 790,059,746   |
| Increase in registered share capital             | -                                          | -                       | -                     | -             |
| As at 31 December 2015                           | 649,988,443                                | 324,994,222             | 465,065,524           | 790,059,746   |
| Share premium used to compensate of the deficits | -                                          | -                       | (42,674,135)          | (42,674,135)  |
| Warrant exercised (Note 26)                      | 304,907                                    | 152,453                 | 604,326               | 756,779       |
| As at 31 December 2016                           | 650,293,350                                | 325,146,675             | 422,995,715           | 748,142,390   |

At the 2016 Annual General Meeting of shareholders held on 28 April 2016, the shareholders approved the allocation of legal reserve of Baht 24,390,707 (Note 29) and share premium of Baht 42,674,135 to compensate the accumulated losses as at 31 December 2015 amount of Baht 67,064,842.

As at 31 December 2016, the total authorised number of ordinary shares is 682,500,070 shares (2015 : 682,500,070 shares) with a par value of Baht 0.50 per share (31 December 2015 : Baht 0.50 per share). The registered ordinary shares of 650,293,350 shares (2015 : 649,988,443 shares) are issued and fully paid-up.

## 28 Dividend payment and legal reserve

Company

At the Board of Directors' meeting no. 7/2016 held on 16 June 2016, the board of directors approved the interim dividend for the result of operations from 1 January 2016 to 31 March 2016 and dividend income from subsidiary in April 2016 to shareholders at the rate of Baht 0.07 per share, totalling Baht 45,499,191 and approved an appropriation for legal reserve amounting to Baht 3,802,569. The Company already paid dividend amounting to Baht 45,499,191 to shareholders on 15 July 2016.

Subsidiary

At the Board of Directors' meeting no. 2/2016 held on 6 April 2016, of TVD Shopping Co., Ltd. ("subsidiary"), board of directors approved to pay interim dividend from retained earnings as at 31 March 2016 to shareholders at the rate of Baht 0.96 per share totalling Baht 85,500,000 and allocate legal reserve at the rate of 5% from retained earnings as at 31 March 2016 totalling Baht 4,500,000. Dividend is paid to shareholders on 25 April 2016.

At the Board of Directors' meeting of shareholders no. 5/2016 held on 30 September 2016, of TVD Shopping Co., Ltd. ("subsidiary"), board of directors approved to pay interim dividend from retain earnings as at 30 June 2016 to shareholders at the rate of Baht 0.28 per share totalling Baht 24,700,000 and allocate legal reserve at the rate of 5% from retain earnings as at 30 June 2016 totalling Bath 1,300,000. As at 30 September 2016, the subsidiary company has recorded dividend payable for Baht 24,700,000.

## 29 Legal reserve

|                                         | Consolidated/Separate financial statements |              |
|-----------------------------------------|--------------------------------------------|--------------|
|                                         | 2016<br>Baht                               | 2015<br>Baht |
| Opening balance                         | 24,390,707                                 | 24,390,707   |
| Deduction of accumulated loss (Note 27) | (24,390,707)                               | -            |
| Appropriation during the year           | 3,802,569                                  | -            |
| Ending balance                          | 3,802,569                                  | 24,390,707   |

Under the Public Companies Act, the Group is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

## 30 Non-controlling interest

|                                                           | Consolidated financial statements |              |
|-----------------------------------------------------------|-----------------------------------|--------------|
|                                                           | 2016<br>Baht                      | 2015<br>Baht |
| Opening balance                                           | 176,109,277                       | 160,010,178  |
| Share of net profit (loss) of subsidiary                  | 24,586,518                        | 28,761,929   |
| Change in portion of investment in subsidiaries (Note 14) | (3,738,802)                       | (1,169,820)  |
| Dividend payment to non-controlling interest              | (38,570,004)                      | (14,000,001) |
| Disposal of investment in subsidiaries                    | -                                 | 2,506,991    |
| Ending balance                                            | 158,386,989                       | 176,109,277  |

## 31 Other income

|                                              | Consolidated financial statements |              | Separate financial statements   |              |
|----------------------------------------------|-----------------------------------|--------------|---------------------------------|--------------|
|                                              | For the years ended 31 December   |              | For the years ended 31 December |              |
|                                              | 2016<br>Baht                      | 2015<br>Baht | 2016<br>Baht                    | 2015<br>Baht |
| Dividend income (Note 37 a))                 | -                                 | -            | 71,629,996                      | 25,999,999   |
| Service income from subsidiaries (Note 37a)) | -                                 | -            | 49,445,597                      | 38,244,738   |
| Refunded import duty                         | 6,074,364                         | -            | 6,074,364                       | -            |
| Gain from disposals of                       |                                   |              |                                 |              |
| - held-to-maturity investments (Note 8)      | 60,347                            | 5,338,967    | -                               | -            |
| - available-for-sale investments (Note 13)   | 1,536,923                         | 2,158,023    | -                               | -            |
| Interest income from                         |                                   |              |                                 |              |
| - held-to-maturity investments (Note 8)      | 6,103,795                         | 155,063      | -                               | -            |
| - financial institutions                     | 2,118,304                         | 1,318,203    | 659,605                         | 488,968      |
| - related companies (Note 37a))              | -                                 | -            | 351,737                         | 395,433      |
| Reversal of                                  |                                   |              |                                 |              |
| - account payable which are free of payment  | 7,479,434                         | -            | 6,962,841                       | -            |
| - loan which are free of payment (Note 37g)) | 2,560,000                         | -            | -                               | -            |
| Others                                       | 6,372,717                         | 3,352,241    | 5,838,728                       | 3,892,412    |
|                                              | 32,305,884                        | 12,322,497   | 140,962,868                     | 69,021,550   |

## 32 Other gain (loss)

|                                                                    | Consolidated<br>financial statements |              | Separate<br>financial statements   |              |
|--------------------------------------------------------------------|--------------------------------------|--------------|------------------------------------|--------------|
|                                                                    | For the years ended<br>31 December   |              | For the years ended<br>31 December |              |
|                                                                    | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                       | 2015<br>Baht |
| Net gain (loss) from disposals of<br>property, plant and equipment | (787,295)                            | (718,587)    | (787,295)                          | 18,237,395   |
| Net loss from intangible assets written-off                        | (8)                                  | -            | (8)                                | -            |
| Net gain (loss) from exchange rate                                 | 211,760                              | 621,725      | 192,586                            | 763,983      |
|                                                                    | (575,543)                            | (96,862)     | (594,717)                          | 19,001,378   |

## 33 Expenses by nature

The following expenditure items for the years ended 31 December 2016 and 2015, classified by nature, have been charged in profit before finance costs and income tax:

|                                                       | Consolidated<br>financial statements |                 | Separate<br>financial statements   |               |
|-------------------------------------------------------|--------------------------------------|-----------------|------------------------------------|---------------|
|                                                       | For the years ended<br>31 December   |                 | For the years ended<br>31 December |               |
|                                                       | 2016<br>Baht                         | 2015<br>Baht    | 2016<br>Baht                       | 2015<br>Baht  |
| Changes in finished goods and supplies                | 64,828,657                           | (73,931,731)    | 71,247,957                         | (55,852,924)  |
| Purchases of finished goods                           | (1,534,931,224)                      | (1,356,096,342) | (907,509,204)                      | (828,291,325) |
| Advertising airtime media rental expense              | (416,065,220)                        | (369,820,591)   | (332,966,236)                      | (316,851,077) |
| Advertising and printing media<br>production expense  | (280,190,221)                        | (177,757,662)   | (270,423,267)                      | (165,341,829) |
| Staff cost expense                                    | (474,699,616)                        | (440,300,112)   | (270,620,442)                      | (350,638,511) |
| Distribution expense                                  | (120,398,272)                        | (84,996,726)    | (120,398,272)                      | (84,489,984)  |
| Space and warehouse rental expense                    | (45,532,963)                         | (51,265,179)    | (44,474,962)                       | (48,593,648)  |
| Public utility expense                                | (46,435,490)                         | (48,313,606)    | (41,906,064)                       | (43,999,292)  |
| Depreciation and amortisation<br>(Note 15, 16 and 17) | (73,044,949)                         | (72,341,028)    | (62,644,606)                       | (63,992,373)  |
| Organizing fee expense                                | (3,662,465)                          | (6,476,595)     | (2,924,715)                        | (5,995,132)   |

## 34 Finance costs (net)

|                                                                   | Consolidated<br>financial statements |              | Separate<br>financial statements   |              |
|-------------------------------------------------------------------|--------------------------------------|--------------|------------------------------------|--------------|
|                                                                   | For the years ended<br>31 December   |              | For the years ended<br>31 December |              |
|                                                                   | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                       | 2015<br>Baht |
| Interest expense from                                             |                                      |              |                                    |              |
| - borrowings                                                      | (12,870,418)                         | (14,906,119) | (12,786,141)                       | (14,819,765) |
| - liabilities under finance lease and<br>hire purchase agreements | (458,178)                            | (913,553)    | (211,562)                          | (400,852)    |
| Net gain (loss) from exchange rate (Note 20)                      |                                      |              |                                    |              |
| - realised                                                        | (281,501)                            | (3,424,115)  | (281,501)                          | (3,424,115)  |
| - unrealised                                                      | 1,890,733                            | 789,544      | 1,890,733                          | 789,544      |
|                                                                   | (11,719,364)                         | (18,454,243) | (11,388,471)                       | (17,855,188) |



## 35 Income tax

Reconciliation of income tax expenses for the years ended 31 December 2016 and 2015 comprises:

|                                                                                                | Consolidated<br>financial statements |              | Separate<br>financial statements   |              |
|------------------------------------------------------------------------------------------------|--------------------------------------|--------------|------------------------------------|--------------|
|                                                                                                | For the years ended<br>31 December   |              | For the years ended<br>31 December |              |
|                                                                                                | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                       | 2015<br>Baht |
| <b>Income tax:</b>                                                                             |                                      |              |                                    |              |
| Current income tax on taxable profit                                                           | (15,293,326)                         | (16,507,513) | -                                  | -            |
| Income tax refundable written-off                                                              | (1,296,052)                          | (29,946)     | (1,226,981)                        | -            |
|                                                                                                | (16,589,378)                         | (16,537,459) | (1,226,981)                        | -            |
| <b>Deferred tax assets: (Note 18)</b>                                                          |                                      |              |                                    |              |
| Origination of temporary differences                                                           | 4,718,438                            | 20,708,647   | 2,592,578                          | 17,999,133   |
| Income tax income (expense)                                                                    | (11,870,940)                         | 4,171,188    | 1,365,597                          | 17,999,133   |
|                                                                                                |                                      |              |                                    |              |
|                                                                                                | Consolidated<br>financial statements |              | Separate<br>financial statements   |              |
|                                                                                                | For the years ended<br>31 December   |              | For the years ended<br>31 December |              |
|                                                                                                | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                       | 2015<br>Baht |
| Profit (loss) before tax accounting base                                                       | 50,985,328                           | (15,915,600) | 47,973,053                         | (62,503,076) |
| Tax calculated at a tax rate of 20%                                                            | (10,197,066)                         | 3,183,120    | (9,594,611)                        | 12,500,615   |
| Tax effect of:                                                                                 |                                      |              |                                    |              |
| Exemptional taxable income                                                                     | -                                    | -            | 14,326,000                         | 5,200,000    |
| Non-deductible expenses for tax purpose<br>(additional deductible expenses for<br>tax purpose) | (914,325)                            | 482,907      | (2,138,811)                        | 298,518      |
| Tax losses of subsidiaries for which no<br>deferred income tax asset was<br>recognised         | 536,503                              | 535,107      | -                                  | -            |
| Income tax refundable written-off                                                              | (1,296,052)                          | (29,946)     | (1,226,981)                        | -            |
| Income tax income (expense)                                                                    | (11,870,940)                         | 4,171,188    | 1,365,597                          | 17,999,133   |

## 36 Earnings (loss) per share

## 36.1 Basic earnings (loss) per share

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

|                                                                    | Consolidated<br>financial statements |              | Separate<br>financial statements   |              |
|--------------------------------------------------------------------|--------------------------------------|--------------|------------------------------------|--------------|
|                                                                    | For the years ended<br>31 December   |              | For the years ended<br>31 December |              |
|                                                                    | 2016                                 | 2015         | 2016                               | 2015         |
| Profit (loss) attributable to<br>shareholders of the parent (Baht) | 14,358,886                           | (40,613,765) | 49,338,650                         | (44,503,943) |
| Weighted average number of<br>ordinary shares (Shares)             | 650,119,236                          | 649,988,443  | 650,119,236                        | 649,988,443  |
| Basic earnings (loss) per share<br>(Baht per share)                | 0.02209                              | (0.06248)    | 0.07589                            | (0.06847)    |

## 36 Earnings (loss) per share (Cont'd)

### 36.2 Diluted earnings (loss) per share

The diluted earnings (loss) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares that are warrants (Note 24). The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings (loss).

During 2016 and 2015 warrants are antidilutive when their conversion to ordinary shares would increase earnings per share from continuing operations or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume exercise of potential ordinary shares that would have an antidilutive effect on increase earnings per share or decrease in loss per share. So, there is no diluted earnings (loss) per share for the year 2016 and 2015. However, such warrants had been expired on 14 July 2016

## 37 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.

The significant investments in subsidiaries are set out in Note 14.

Relationship between company and related parties:

| Related company name                                                           | Nationality | Relationship                                                                |
|--------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------|
| TVD Shopping Co., Ltd.                                                         | Thailand    | Subsidiary company                                                          |
| TVD Services Co., Ltd.<br>(Formerly named TV Direct Indochina Co., Ltd.)       | Thailand    | Subsidiary company                                                          |
| Last Mile Direct Co., Ltd.<br>(Formerly named JML Direct (Thailand) Co., Ltd.) | Thailand    | Subsidiary company                                                          |
| TVD Broker Co., Ltd.                                                           | Thailand    | Subsidiary company                                                          |
| Direct Response Television Co., Ltd.                                           | Cambodia    | Subsidiary company<br>of TVD Services Co., Ltd.<br>(Until 30 March 2015)    |
| TV Direct Lao Co., Ltd.                                                        | Laos        | Subsidiary company<br>of TVD Services Co., Ltd.<br>(Until 30 March 2015)    |
| TVDI Vietnam Co., Ltd.                                                         | Vietnam     | Subsidiary company<br>of TVD Services Co., Ltd.<br>(Until 30 March 2015)    |
| TV Direct (Malaysia) Sdn. Bhd.                                                 | Malaysia    | Subsidiary company<br>of TVD Services Co., Ltd.<br>(Until 30 December 2015) |
| JML Singapore Pte. Ltd.                                                        | Singapore   | Related company<br>of Last Mile Direct Co., Ltd.                            |
| TV Direct Media Sdn. Bhd.                                                      | Malaysia    | Related company<br>of subsidiary company of<br>TVD Services Co., Ltd.       |
| John Mills Ltd.                                                                | England     | Shareholder of<br>Last Mile Direct Co., Ltd.<br>(Until 20 December 2016)    |
| momo.com Inc.                                                                  | Taiwan      | Shareholder of<br>TVD Shopping Co., Ltd.                                    |

## 37 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties.

## a) Sale of goods and services and others for the years ended 31 December 2016 and 2015

|                                                                  | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|------------------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                                  | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| <b>Sales of goods</b>                                            |                                      |              |                                  |              |
| Subsidiaries                                                     | -                                    | -            | 32,534,127                       | 52,034,870   |
| Related company                                                  | -                                    | -            | -                                | 4,771,289    |
|                                                                  | -                                    | -            | 32,534,127                       | 56,806,159   |
| <b>Rental income</b>                                             |                                      |              |                                  |              |
| Subsidiaries                                                     | -                                    | -            | 3,244,000                        | 2,353,320    |
| <b>Service income (Note 31)</b>                                  |                                      |              |                                  |              |
| Subsidiaries                                                     | -                                    | -            | 49,445,597                       | 35,886,796   |
| Related company                                                  | -                                    | -            | -                                | 4,622        |
|                                                                  | -                                    | -            | 49,445,597                       | 35,891,418   |
| <b>Income from disposal of property,<br/>plant and equipment</b> |                                      |              |                                  |              |
| Subsidiaries                                                     | -                                    | -            | -                                | 55,587,713   |
| <b>Interest income</b>                                           |                                      |              |                                  |              |
| Subsidiary                                                       | -                                    | -            | 351,740                          | 395,433      |
| <b>Dividend income (Note 31)</b>                                 |                                      |              |                                  |              |
| Subsidiary                                                       | -                                    | -            | 71,629,996                       | 25,999,999   |

## b) Purchases of goods and services and others for the years ended 31 December 2016 and 2015

|                                                      | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                      | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| <b>Purchase of goods</b>                             |                                      |              |                                  |              |
| Subsidiaries                                         | -                                    | -            | 839,244                          | 1,233,392    |
| <b>Cost of service</b>                               |                                      |              |                                  |              |
| Subsidiary                                           | -                                    | -            | 2,076,505                        | 1,108,866    |
| <b>Purchase airtime for television<br/>broadcast</b> |                                      |              |                                  |              |
| Subsidiary                                           | -                                    | -            | 65,719,449                       | 33,996,600   |
| <b>Marketing expenses</b>                            |                                      |              |                                  |              |
| Subsidiary                                           | -                                    | -            | 702,056                          | 6,122,588    |
| <b>Management fee</b>                                |                                      |              |                                  |              |
| Subsidiary                                           | -                                    | -            | 77,745,151                       | -            |
| <b>Other expenses</b>                                |                                      |              |                                  |              |
| Subsidiary                                           | -                                    | -            | 510,769                          | -            |
| <b>Interest expense</b>                              |                                      |              |                                  |              |
| Subsidiary                                           | -                                    | -            | 11,986                           | -            |

## 37 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties. (Cont'd)

- c) Outstanding balance arising from sales/purchases of goods/services and others as at 31 December 2016 and 2015

|                                                              | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--------------------------------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                                                              | 2016<br>Baht                         | 2015<br>Baht | 2016<br>Baht                     | 2015<br>Baht |
| <b>Trade accounts receivable (Note 9)</b>                    |                                      |              |                                  |              |
| Subsidiaries                                                 | -                                    | -            | 3,659,492                        | 9,095,767    |
| <b>Other accounts receivable (Note 9)</b>                    |                                      |              |                                  |              |
| Subsidiaries                                                 | -                                    | -            | 418,351                          | 2,679,741    |
| Related person                                               | 1,420                                | -            | -                                | -            |
|                                                              | 1,420                                | -            | 418,351                          | 2,679,741    |
| <b>Accrued income (Note 9)</b>                               |                                      |              |                                  |              |
| Subsidiary                                                   | -                                    | -            | 11,800,704                       | 2,246,776    |
| <b>Interest receivable (Note 9)</b>                          |                                      |              |                                  |              |
| Subsidiaries                                                 | -                                    | -            | 12,230                           | 33,194       |
| <b>Advance payment (Note 9)</b>                              |                                      |              |                                  |              |
| Subsidiaries                                                 | -                                    | -            | 6,453                            | -            |
| Related company                                              | 1,508,917                            | 1,787,684    | -                                | -            |
|                                                              | 1,508,917                            | 1,787,684    | 6,453                            | -            |
| <b>Deposits guaranteed<br/>for airline rental (Note 19)</b>  |                                      |              |                                  |              |
| Subsidiary                                                   | -                                    | -            | 4,368,048                        | -            |
| <b>Trade accounts payable (Note 21)</b>                      |                                      |              |                                  |              |
| Subsidiaries                                                 | -                                    | -            | (6,848,294)                      | (4,457,023)  |
| Related company                                              | -                                    | (313,671)    | -                                | -            |
|                                                              | -                                    | (313,671)    | (6,848,294)                      | (4,457,023)  |
| <b>Other accounts payable (Note 21)</b>                      |                                      |              |                                  |              |
| Subsidiaries                                                 | -                                    | -            | (15,585,827)                     | (351,501)    |
| Related company                                              | -                                    | (165,769)    | -                                | -            |
| Related person                                               | (374,315)                            | -            | (374,315)                        | -            |
|                                                              | (374,315)                            | (165,769)    | (15,960,142)                     | (351,501)    |
| <b>Accrued directors' remuneration<br/>expense (Note 21)</b> |                                      |              |                                  |              |
| Directors                                                    | (8,000,000)                          | -            | (4,000,000)                      | -            |
| <b>Accrued interest expense (Note 21)</b>                    |                                      |              |                                  |              |
| Related company                                              | -                                    | (44,455)     | -                                | (14,863)     |

## 37 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties. (Cont'd)

## d) Short-term loan to a subsidiary as at 31 December 2016 and 2015:

|                                 |                                | Separate financial statement |                                    |           |
|---------------------------------|--------------------------------|------------------------------|------------------------------------|-----------|
|                                 |                                | 2016 (Baht)                  |                                    |           |
| Short-term loan to a subsidiary | Interest rate<br>(% per annum) | Short-term<br>loan           | Interest<br>receivable<br>(Note 9) | Total     |
| Last Mile Direct Co., Ltd.      | 3%                             | 4,800,000                    | 12,230                             | 4,812,230 |
|                                 |                                | Separate financial statement |                                    |           |
|                                 |                                | 2015 (Baht)                  |                                    |           |
| Short-term loan to a subsidiary | Interest rate<br>(% per annum) | Short-term<br>loan           | Interest<br>receivable<br>(Note 9) | Total     |
| Last Mile Direct Co., Ltd.      | 3%                             | 4,800,000                    | 14,509                             | 4,814,509 |

Outstanding short-term loan to a subsidiary company represent unsecured loan denominated in Thai Baht. The loan is repayable at call.

The movement of short-term loan to a subsidiary for the years ended 31 December 2016 and 2015 is as follows:

|                         |  | Separate financial statements |              |
|-------------------------|--|-------------------------------|--------------|
|                         |  | 2016<br>Baht                  | 2015<br>Baht |
| Opening net book amount |  | 4,800,000                     | 6,120,000    |
| Repayment               |  | -                             | (1,320,000)  |
| Ending net book amount  |  | 4,800,000                     | 4,800,000    |

## e) Long-term loan to a subsidiary as at 31 December 2016 and 2015

|                                |                                | Separate financial statement |                                    |           |
|--------------------------------|--------------------------------|------------------------------|------------------------------------|-----------|
|                                |                                | 2016 (Baht)                  |                                    |           |
| Long-term loan to a subsidiary | Interest rate<br>(% per annum) | Long-term<br>loan            | Interest<br>receivable<br>(Note 9) | Total     |
| TVD Broker Co., Ltd.           | -                              | -                            | -                                  | -         |
|                                |                                | Separate financial statement |                                    |           |
|                                |                                | 2015 (Baht)                  |                                    |           |
| Long-term loan to a subsidiary | Interest rate<br>(% per annum) | Short-term<br>loan           | Interest<br>receivable<br>(Note 9) | Total     |
| TVD Broker Co., Ltd.           | 5.5%                           | 4,000,000                    | 18,685                             | 4,018,685 |

Outstanding long-term loan to a subsidiary represented unsecured loan denominated in Thai Baht. The loan is repayable within 20 July 2017. However, the loan was repayable on 14 December 2016.

## 37 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties. (Cont'd)

## e) Long-term loan to a subsidiary as at 31 December 2016 and 2015 (Cont'd)

The movement of long-term loan to a subsidiary for the year ended 31 December 2016 and 2015 is as follows:

|                         | Separate financial statements |              |
|-------------------------|-------------------------------|--------------|
|                         | 2016<br>Baht                  | 2015<br>Baht |
| Opening net book amount | 4,000,000                     | -            |
| Addition                | -                             | 12,000,000   |
| Repayment               | (4,000,000)                   | (8,000,000)  |
| Ending net book amount  | -                             | 4,000,000    |

## f) Short-term loan from a subsidiary as at 31 December 2016 and 2015:

|                                           | Interest rate<br>(% per annum) | Separate financial statement |                                              |       |
|-------------------------------------------|--------------------------------|------------------------------|----------------------------------------------|-------|
|                                           |                                | 2016 (Baht)                  |                                              |       |
| Short-term loan from a subsidiary company |                                | Long-term<br>loan            | Accrued<br>interest<br>expenses<br>(Note 22) | Total |
| TVD Services Co., Ltd.                    | -                              | -                            | -                                            | -     |

|                                 | Interest rate<br>(% per annum) | Separate financial statement |                                    |            |
|---------------------------------|--------------------------------|------------------------------|------------------------------------|------------|
|                                 |                                | 2015 (Baht)                  |                                    |            |
| Short-term loan to a subsidiary |                                | Short-term<br>loan           | Interest<br>receivable<br>(Note 9) | Total      |
| TVD Services Co., Ltd.          | 1.75%                          | 10,000,000                   | 14,863                             | 10,014,863 |

Outstanding short-term loan from a subsidiary represented unsecured loan denominated in Thai Baht. The loan is repayable within 25 January 2016.

The movement of short-term loan from a subsidiary for the years ended 31 December 2016 and 2015 is as follows:

|                         | Separate financial statements |              |
|-------------------------|-------------------------------|--------------|
|                         | 2016<br>Baht                  | 2015<br>Baht |
| Opening net book amount | 10,000,000                    | -            |
| Addition                | -                             | 10,000,000   |
| Repayment               | (10,000,000)                  | -            |
| Ending net book amount  | -                             | 10,000,000   |

## 37 Related party transactions (Cont'd)

g) Short-term loan from a related party as at 31 December 2016 and 2015:

|                                      |                             | Consolidated financial statement    |        |           |
|--------------------------------------|-----------------------------|-------------------------------------|--------|-----------|
|                                      |                             | 2016 (Baht)                         |        |           |
|                                      |                             | Accrued interest expenses (Note 21) |        |           |
| Short-term loan from a related party | Interest rate (% per annum) | Short-term loan                     |        | Total     |
| John Mills Ltd.                      | -                           | -                                   | -      | -         |
|                                      |                             | Consolidated financial statement    |        |           |
|                                      |                             | 2015 (Baht)                         |        |           |
|                                      |                             | Accrued interest expenses (Note 21) |        |           |
| Short-term loan from a related party | Interest rate (% per annum) | Short-term loan                     |        | Total     |
| John Mills Ltd.                      | 3%                          | 3,200,000                           | 44,455 | 3,244,455 |

Outstanding short-term loan from a related party represent unsecured loan denominated in Thai Baht. The loan is repayable at call.

The movement of short-term loan from a related party for the years ended 31 December 2016 and 2015 is as follows:

|                                            |  | Consolidated financial statements |             |
|--------------------------------------------|--|-----------------------------------|-------------|
|                                            |  | 2016 Baht                         | 2015 Baht   |
| Opening net book amount                    |  | 3,200,000                         | 5,880,000   |
| Repayment                                  |  | (640,000)                         | (2,680,000) |
| Reversal of loan which are free of payment |  | (2,560,000)                       | -           |
| Ending net book amount                     |  | -                                 | 3,200,000   |

During 2016, the Group's management has negotiated with the management of John Mills Ltd. and concluded that John Mills Ltd. give up short-term Baht 2,560,000 to the Group. Therefore, such unpaid loan was reversed to other income (Note 31) in profit or loss.

h) Directors and managements' remuneration for the years ended 31 December 2016 and 2015

|                                   | Consolidated financial statements |            | Separate financial statements |            |
|-----------------------------------|-----------------------------------|------------|-------------------------------|------------|
|                                   | 2016 Baht                         | 2015 Baht  | 2016 Baht                     | 2015 Baht  |
| Directors' remuneration           | 3,330,000                         | 2,566,000  | 1,830,000                     | 2,070,000  |
| Managements' remuneration         |                                   |            |                               |            |
| Short-term employee benefits      | 25,926,403                        | 21,134,449 | 18,064,379                    | 16,608,663 |
| Post-employment benefits          | 1,508,276                         | 1,409,185  | 1,311,127                     | 1,268,667  |
| Other long-term employee benefits | 8,026                             | 14,778     | -                             | 9,067      |
|                                   | 30,772,705                        | 25,124,412 | 21,205,506                    | 19,956,397 |



## 38 Financial instrument

## a) Foreign currency exchange rate risk

At 31 December 2016 and 2015, the settlement dates on open forward contracts ranged between 1 month to 6 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts were:

| Foreign currency | Consolidated/Separate financial statements |           |               |               |            |            |
|------------------|--------------------------------------------|-----------|---------------|---------------|------------|------------|
|                  | Foreign currency contract amount           |           | Contract rate |               | 2016 Baht  | 2015 Baht  |
|                  | 2016                                       | 2015      | 2016          | 2015          |            |            |
| USD              | 598,891                                    | 2,500,000 | 35.20 - 36.12 | 33.95 - 35.89 | 21,413,222 | 85,030,420 |
| EUR              | 559,343                                    | -         | 38.20 - 39.10 | -             | 21,860,129 | -          |

## Net fair values

The net fair values of the derivative financial instruments as at 31 December 2016 and 2015 were:

|                                                                       | Consolidated/Separate financial statements |             |
|-----------------------------------------------------------------------|--------------------------------------------|-------------|
|                                                                       | 2016 Baht                                  | 2015 Baht   |
| Favourable (unfavourable) forward foreign currency exchange contracts | 538,091                                    | (1,185,996) |

The fair values of the forward foreign exchange contracts have been calculated using rates quoted by the Group's bankers to terminate the contracts at 31 December 2016 and 2015.

## b) Interest rate risk

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2016 and 2015 are summarised as follows:

| Consolidated financial statements                                     |                         |                                                         |            |                  |             |                                                  |                |
|-----------------------------------------------------------------------|-------------------------|---------------------------------------------------------|------------|------------------|-------------|--------------------------------------------------|----------------|
| 2016                                                                  |                         |                                                         |            |                  |             |                                                  |                |
| Baht                                                                  |                         |                                                         |            |                  |             |                                                  |                |
|                                                                       | Floating Interest Rates | Fixed interest rate                                     |            | Without interest | Total       | Interest rate (% per annum)                      |                |
|                                                                       |                         | Remaining period before maturity date or reprising date |            |                  |             | Float rate                                       | Fixed rate     |
|                                                                       |                         | Less than 1 year                                        | 1-5 years  |                  |             |                                                  |                |
| <b>Financial assets</b>                                               |                         |                                                         |            |                  |             |                                                  |                |
| Cash and cash equivalents                                             | -                       | 136,975,831                                             | -          | 27,922,753       | 164,898,584 | 0.125% - 1.000%                                  | -              |
| Held-to maturity investments                                          | -                       | 142,204,072                                             | -          | -                | 142,204,072 | 1.85% - 3.15%                                    | -              |
| Trade and other accounts receivable (net)                             | -                       | -                                                       | -          | 141,789,845      | 141,789,845 | -                                                | -              |
| Restricted deposits at financial institutions                         | -                       | -                                                       | 44,081,000 | -                | 44,081,000  | 0.65% - 0.90%                                    | -              |
| Available-for-sale investments                                        | -                       | -                                                       | -          | 66,099,223       | 66,099,223  | -                                                | -              |
| <b>Total financial assets</b>                                         | -                       | 279,179,903                                             | 44,081,000 | 235,811,821      | 559,072,724 |                                                  |                |
| <b>Financial liabilities</b>                                          |                         |                                                         |            |                  |             |                                                  |                |
| Bank overdrafts and short-term borrowings from financial institutions | 384,781,342             | -                                                       | -          | -                | 384,781,342 | MOR to MOR - 2.00 and MLR - 1.00% to MLR - 2.00% | -              |
| Short-term loan from a related party                                  | -                       | -                                                       | -          | -                | -           | -                                                | -              |
| Trade and other accounts payable                                      | -                       | -                                                       | -          | 402,931,756      | 402,931,756 | -                                                | -              |
| Long-term borrowings from financial institutions                      | 29,194,492              | -                                                       | -          | -                | 29,194,492  | MLR - 1.25%                                      | -              |
| Liabilities under finance lease agreements (net)                      | -                       | 3,811,534                                               | -          | -                | 3,811,534   | -                                                | 2.64% - 13.69% |
| <b>Total financial liabilities</b>                                    | 413,975,834             | 3,811,534                                               | -          | 402,931,756      | 820,719,124 |                                                  |                |

## 38 Financial instrument and risk management (Cont'd)

## b) Interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2016 and 2015 are summarised as follows: (Cont'd)

| Consolidated financial statements                                           |                               |                                                               |              |                     |             |                             |                |
|-----------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------|--------------|---------------------|-------------|-----------------------------|----------------|
| 2015                                                                        |                               |                                                               |              |                     |             |                             |                |
|                                                                             | Floating<br>Interest<br>Rates | Baht                                                          |              | Without<br>interest | Total       | Interest rate (% per annum) |                |
|                                                                             |                               | Fixed interest rate                                           |              |                     |             | Float rate                  | Fixed rate     |
|                                                                             |                               | Remaining period<br>before maturity date<br>or reprising date |              |                     |             |                             |                |
|                                                                             |                               | Less than<br>1 year                                           | 1-5<br>years |                     |             |                             |                |
| <b>Financial assets</b>                                                     |                               |                                                               |              |                     |             |                             |                |
| Cash and cash equivalents                                                   | -                             | 246,668,348                                                   | -            | 7,450,288           | 254,118,634 | 0.100% - 0.400%             | -              |
| Held-to maturity investments                                                | -                             | 213,914,464                                                   | -            | -                   | 213,914,464 | 3.00% - 3.20%               | -              |
| Trade and other accounts<br>receivable (net)                                | -                             | -                                                             | -            | 231,473,772         | 231,473,772 | -                           | -              |
| Restricted deposits at financial<br>institutions                            | -                             | -                                                             | 44,081,000   | -                   | 44,081,000  | 0.65% - 1.10%               | -              |
| Available-for-sale investments                                              | -                             | -                                                             | -            | 97,458,588          | 97,458,588  | -                           | -              |
| <b>Total financial assets</b>                                               | -                             | 460,582,812                                                   | 44,081,000   | 336,382,646         | 841,046,458 |                             |                |
| <b>Financial liabilities</b>                                                |                               |                                                               |              |                     |             |                             |                |
| Bank overdrafts and<br>short-term borrowings from<br>financial institutions | 372,376,566                   | -                                                             | -            | -                   | 372,376,566 | MLR - 2.5% to MLR - 1%      | -              |
| Short-term loan from<br>a related party                                     | -                             | 3,200,000                                                     | -            | -                   | 3,200,000   | -                           | 3.00%          |
| Trade and other accounts payable                                            | -                             | -                                                             | -            | 460,695,325         | 460,695,325 | -                           | -              |
| Long-term borrowings from<br>financial institutions                         | 51,426,045                    | -                                                             | -            | -                   | 51,426,045  | MLR - 1.25%                 | -              |
| Liabilities under finance lease<br>agreements (net)                         | -                             | -                                                             | 12,703,078   | -                   | 12,703,078  | -                           | 8.91% - 10.81% |
| <b>Total financial liabilities</b>                                          | 423,802,611                   | 3,200,000                                                     | 12,703,078   | 460,695,325         | 900,401,014 |                             |                |

## 39 Commitments

## 39.1 Commitments under letter of guarantee

In the normal course of its business, the Company provides guarantees and letter of credit generally through the banks to its suppliers for the purchases of goods, airtime rental and electricity.

As at 31 December 2016 and 2015, the bank guarantees and letter of credits issued on behalf of the Company were outlined below:

|                          | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|--------------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
|                          | 2016<br>Million Baht                 | 2015<br>Million Baht | 2016<br>Million Baht             | 2015<br>Million Baht |
| Letters of guarantee for |                                      |                      |                                  |                      |
| Goods (Note 20)          | 149.84                               | 191.30               | 149.84                           | 191.30               |
| Airtime rental (Note 20) | 6.62                                 | 14.99                | 5.12                             | 13.49                |
| Electricity              | 1.21                                 | 2.49                 | 1.21                             | 2.29                 |
|                          | 157.67                               | 208.78               | 156.17                           | 207.08               |

## 39 Commitments (Cont'd)

## 39.2 Commitments under agreements

As at 31 December 2016 and 2015, the Company had commitment in respect of rental and services agreements which have obligations to pay as following:

| Consolidated financial statements  |                        |                         |                        |                         |
|------------------------------------|------------------------|-------------------------|------------------------|-------------------------|
|                                    | 2016                   |                         | 2015                   |                         |
|                                    | Rental agreements Baht | Service agreements Baht | Rental agreements Baht | Service agreements Baht |
| <b>Due within the years ending</b> |                        |                         |                        |                         |
| 1 year                             | 34,937,978             | 137,932,815             | 42,252,677             | 90,865,773              |
| 1 year - 5 years                   | 36,623,764             | 19,173,101              | 40,060,640             | 39,071,594              |
|                                    | <u>71,561,742</u>      | <u>157,105,916</u>      | <u>82,313,317</u>      | <u>129,937,367</u>      |
| Separate financial statements      |                        |                         |                        |                         |
|                                    | 2016                   |                         | 2015                   |                         |
|                                    | Rental agreements Baht | Service agreements Baht | Rental agreements Baht | Service agreements Baht |
| <b>Due within the years ending</b> |                        |                         |                        |                         |
| 1 year                             | 34,181,122             | 142,617,175             | 41,769,477             | 13,620,773              |
| 1 year - 5 years                   | 35,685,503             | 93,088,877              | 39,808,640             | 1,341,594               |
|                                    | <u>69,866,625</u>      | <u>235,706,052</u>      | <u>81,578,117</u>      | <u>14,962,367</u>       |

## 39.3 Capital commitments

As at 31 December 2016 and 2015, the Company had capital commitments relating to property, plant and equipment and computer software as follow.

|                               | Consolidated financial statements |                  | Separate financial statements |                  |
|-------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
|                               | 2016 Baht                         | 2015 Baht        | 2016 Baht                     | 2015 Baht        |
| Property, plant and equipment | 6,059,533                         | 1,130,000        | 1,742,717                     | 110,000          |
| Computer software             | 5,185,200                         | 2,691,320        | 4,905,200                     | 2,026,420        |
|                               | <u>11,244,733</u>                 | <u>3,821,320</u> | <u>6,647,917</u>              | <u>2,136,420</u> |



# TVD SHOPPING COMPANY LIMITED

## Message from the Management

### Dear Shareholders,

On behalf of the management of TVD Shopping Co., Ltd., ("Company"), I would like to show appreciation to all shareholders, business partners, and customers who always show good support for our company as well as the Company's Board of Directors, Executives, and all employees who have shown their support and dedication on their effective works and that makes the Company to achieve the determined goal.

From the operation in 2016, even the Company encountered with economic crisis from inside and outside the country, the Company can overcome obstacles and difficulties due to kind collaboration of our employees. The Company strives to select various kinds of product to response to consumer's demand by expanding distribution channels and the Company has gained great response from new customers from all regions. As a result, the Company's operative result is growing continuously as the slogan "Chob Shop Kum Sure"

In 2017, the Company will focus on our 2 main businesses including Home Shopping Business (selling products through the 24 hours television program) and E-Commerce. The Company will cooperate with our existing and new business partners by adding distribution channels; expanding customer base as well as increasing number of employee and implementing state of art technology to enhance competitive capability and continue our business with stability and continuous growth.

Hence, the Company strongly hopes that the Company's Board of Directors, Executives, and all employees as well as partners and business alliances will kindly provide support in order enable us to achieve the determined goal.



Mr. Thanabul Maturanont  
Managing Director

# Corporate Information

# TVD Shopping Company Limited

|                             |                                                                                   |
|-----------------------------|-----------------------------------------------------------------------------------|
| <b>Business Name</b>        | : TVD Shopping Company Limited<br>(Previously Name- Shop at Home Company Limited) |
| <b>Company Abbreviation</b> | : TVDS                                                                            |
| <b>Business Type</b>        | : Home Shopping (selling products through the 24 hours television program)        |
| <b>Establishment</b>        | : November 26th, 2013                                                             |
| <b>Program Name</b>         | : TVD MOMO                                                                        |
| <b>First Launch</b>         | : June 26th, 2014                                                                 |
| <b>Office Address</b>       | : 1, Soi Watcharaphon 1, Tarang, Bangkhen, Bangkok 10220                          |
| <b>Registration Number</b>  | : 0105556188407                                                                   |
| <b>Major Shareholders</b>   | : TV Direct Public Company Limited 65%<br>MOMO.COM Incorporation (Taiwan) 35%.    |
| <b>Managing Director</b>    | : Mr. Thanabul Maturanont                                                         |
| <b>Registered Capital</b>   | : 445,000,000.00 baht (Four Hundred Forty Five Million Baht)                      |
| <b>Share Amount</b>         | : 89,000,000,000 shares (Eighty Nine Million Shares)                              |
| <b>Paid-up Capital</b>      | : 445,000,000.00 baht (Four Hundred Forty Five Million Baht)                      |
| <b>Par-Value</b>            | : 5 baht (Five Baht) per share                                                    |
| <b>Website</b>              | : www.tvdmomo.com                                                                 |
| <b>Mobile Application</b>   | : TVDSHOP, TVDMOMO                                                                |
| <b>Telephone</b>            | : +66 (0) 2666 0288                                                               |
| <b>Fax</b>                  | : +66 (0) 2666 0088                                                               |



## Vision

To be a trusted home shopping brand

## Mission

To offer best quality and best price of product to consumer

# Business Scope



# Business Scope

## Home Shopping

- Home Shopping Program (Live program)
- Home Shopping Channel (On air 24 hours)

## Online Shopping

- Business to Customers (B to C)

ช่องทางการรับชม



ช่อง 4



ช่อง 43



ช่อง 43



ช่อง 43



ช่อง 43



ช่อง 43



ช่อง 43



# ดูทีวีดีไม่โม้

## ชอบช้อปปิ้ง คุ่มชัวร์

02 666 0188














# TVD BROKER COMPANY LIMITED

## Message from the Management

Dear Shareholders,

In 2016, the overall Thailand's economy is expanded by 3.1% when compared to 2015, the economy was expanded by 2.8% due to several driving factors including government spending and investment, an increasing number of tourist according to government policy, consumption of private sector, the recovery of investment from private sector. Thailand's economy in 2016 is expected to be expanded by 3-4% owing to steadily increasing government spending, investment project, telecommunication infrastructure, the expansion of tourism, higher consumption and investment from private sector as well as greater export volume of Thailand's export trend, weakening trend of baht.

Life insurance and non-life insurance broker business in 2016, the total insurance premium is estimated at 783,000 Million Baht, growing from 2015 which the total insurance premium was 742,489 Million Baht or expanded by 5.46%. This can be divided into 570,000 Million Baht from life insurance and 213,000 Million Baht from non-life insurance, expanded by 7% and 1.7% respectively.

The forecast in 2017, insurance business is expected to expand with insurance premium of approximately 831,000 Million Baht or expanded by 6.1% when compares to 2016. This can be divided by life-insurance business of 610,000 Million Baht and non-life insurance of 221,000 Million Baht which is expanded by 7% and 3.5% respectively. As a result, insurance broker business of the Company continuously grows. The Company has been granted business license from Office of Insurance Commission, in order to provide the service of life and non-life insurance broker Company.

Under the challenge from various factors in the past year and the competition of life insurance and non-life insurance broker business, because of the professionalism of the management team as well as the dedication of our staff, the Company has been through the obstacles.

In 2017, the TVD Broker Company Limited has the policy to select and sell the quality insurance products in the forms of product with suitable protection policy, price, claim service, after sale service to its customers. This also includes the selection of life and non-life insurance companies with good financial standing, experiences, and well-known names to serve customers' requirements by performing services with integrity, speed while emphasis on the development of personnel and information technology to support and continuously expand our work in respect of life insurance broker and non-life insurance broker.

Finally, on behalf of the Company and Company's board of directors, I would like to thank you for the trust of our customer, partner, shareholder and our business partner who always provide support and would like to thank you our management team and all staffs who selfless dedicate to perform work with full capacity and being a powerful force to create the progress and the growth of our Company



(Mr. Arthit Noicharoen)  
Acting Managing Director

# Corporate Information

The TVD Broker Company Limited situates at 3/394, Watcharaphon Road, Tarang Sub-District, Bangkhen District, Bangkok 10220, has been registered as the life and non-life insurance broker company with registration number chor00005/2558 and wor00013/2558 respectively. Business operation has started since June 2015 with registered capital of Baht 40,000,000.

## Mission

To strive for providing the excellence insurance products services to customers and minimize their risks through our expertise and ethical manner.

## Value

- Integrity
- Teamwork
- Trustworthy



# Business Scope

# Business Scope

## Life Insurance

### Individual life insurance

The TVD Broker Company Limited offers service in consulting and advising customers who want to have life insurance by selecting the suitable life insurance product and life insurance company to its customers such as

- |                              |                                   |
|------------------------------|-----------------------------------|
| 1. Saving life insurance     | 3. Personal accident insurance    |
| 2. Retirement life insurance | 4. Serious illness insurance Etc. |

### Group protection life insurance

The TVD Broker Company Limited offers service in consulting and advising customers to the business corporation who wish to make group protection as benefit to their corporate employees by reducing risks, cost controlling expenses for the organization, and giving maximum protection to their employees such as

- |                                               |                                                  |
|-----------------------------------------------|--------------------------------------------------|
| 1. Life insurance for employees               | 3. Health protection for employees               |
| 2. Personal accident protection for employees | 4. Serious illness protection for employees Etc. |

## Non-Life Insurance

### Insurance for individual protection

At present, individual risk has increased due to social and technology expansion, hence, TVD Broker Company Limited offers service in consulting and advising for individual protection in order to reduce personal risk, and also design in searching for product that serve requirement for individual protection, such as

- |                                                   |                                                 |
|---------------------------------------------------|-------------------------------------------------|
| 1. Home insurance                                 | 5. Individual health insurance                  |
| 2. Condominium insurance for room owner           | 6. Liability insurance for individual or family |
| 3. Personal accident insurance                    | 7. Motorcar insurance - compulsory type         |
| 4. Domestic and foreign travel accident insurance | 8. Motor insurance - non - compulsory type Etc. |

### Insurance for Business Organization

The TVD Broker Company Limited offers service in consulting and advising customers in business organization or SME type such as factory, hotel, condominium, hospital, etc., in order to reduce business risks that may come from accidents, and also designing and finding the most beneficial insurance product to protect customers' business, such as

- |                                        |                                                                 |
|----------------------------------------|-----------------------------------------------------------------|
| 1. All risks insurance for property    | 8. Computer equipment insurance                                 |
| 2. Business interruption insurance     | 9. Transportation insurance                                     |
| 3. Burglary insurance                  | 10. Legal liability insurance                                   |
| 4. Financial insurance                 | 11. Product liability insurance                                 |
| 5. Construction insurance              | 12. Liability insurance for director and administrative officer |
| 6. Installation of machinery insurance | 13. Motorcar insurance - compulsory type                        |
| 7. Machinery insurance                 | 14. Motor insurance - non - compulsory type Etc.                |

Moreover, the TVD Broker Company Limited still has other insurance types to service customers as per requirement.



# LAST MILE DIRECT COMPANY LIMITED

## Message from the Management

**Dear Shareholders,**

As a representative of Last Mile Direct Company Limited, a brand new company of home delivery industry originated from business expansion of TV Direct Public Company Limited that considers on the importance of home delivery business that is currently growing rapidly as well as see some opportunities of this business expansion for delivering products to individual receivers in various places (including offices or houses throughout Thailand) under quality management and readiness of business expansion for further growing in the future, I believe that “staff” is the important resource of business operation and the key for enabling the company to grow stably and sustainably. As a result, we emphasize on developing our staffs by providing them good welfare and compensation as well as giving them some opportunities to participate in giving their opinions and showing their potential fully. Consequently, they are able to do what they love while striving to achieve the big goal together.

I would like to invite you to be a part for building our business together.





Mr. Theerapong Limprasert  
Acting General Manager

# Corporate Information



Last Mile Direct Company Limited is located at No. 25/3, Watcharaphon Rd., Tarang, Bangkhen, Bangkok 10230, engages in wholesale business of kitchen accessories and others. The company was established since June 12, 2013 and reformed our business structure into delivery and cash collection service with registered capital of 30,000,000 Baht.

## Vision

The one stop shopping to provide the fulfillment service to our client  
To be a product delivery and distribution center which providing the service directly to the consumer

## Mission

- Building Brand LMD to be recognized by Home Delivery customer
- Excellent service with reasonable price

## Value

- Service excellent

## Business Scope

- Warehouse service
- Transportation service
- Fulfillment service



# TVD SERVICES COMPANY LIMITED

## Message from the Management

**Dear Shareholders,**

After separating from TV Direct Public Company Limited as TVD Services Company Limited for operating business of business support service for 1 year, TVD Services Company Limited changed many functions of our operation by focusing on improving operational process to support shared services for all units of associated companies of TV Direct Public Company Limited. We emphasize on providing management and shared resources under the company group efficiently according to higher standard of Service Level Agreement (SLA). In addition, we also develop knowledge and abilities of our personnel simultaneously to meet with higher standard. Consequently, our management and business support on information, operational, system, accounting and finance, and administration has been operated more efficiently. Moreover, our former turnover also yields profit consecutively enabling us to solve the problem of loss accumulated from the former company completely.

For 2017 Action Plan, all executives and employees of TVD Services Company Limited still strive to improve and develop our operation on services and operational system development including system structure, business process, and enhancement of personnel's knowledge and abilities in order to reach international service standards.

We have believed that, with potential of over 100 team members, we are ready to support the company group under TV Direct Public Company Limited and our business partners to be able to compete with business competitors in market fully as well as to be successful in earning profit for rewarding shareholders and investors continuously. However, we have still attached to the Principles of Good Governance in our business operation as well as considered on the ultimate benefit of our organization and given satisfaction to all participants in all sectors consecutively.



*Yuvaboon Khamwangyang*

Mr. Yuvaboon Khamwangyang  
Managing Director

# Corporate Information

TVD Services Company Limited (with former name as “TV Direct Indochina Company Limited”) was established on April 26th, 2010. The company held the shares of TVD Services Company Limited with the proportion of 99.99%, whereas, TVD Services Company Limited formerly operated the business of holding investment in sub-companies from January 1st, 2016.

Formerly, the company transformed business operation process to be business support service provider for TV Direct Public Company Limited and associated companies on December 31st, 2015, with the registered capital of 154,400,000 baht and paid-up capital of 144,400,000 บาท with the scope of business operation in providing business support service to TV Direct Public Company Limited and its associated companies. The scope of our services is consisted of:

- Accounting service
- Financial management service
- Human resources management service
- Information technology system management service
- Centralized procurement and general administration service
- Operational process planning and development service

## Vision

**“To become the leader of business support service with professional quality, and standard services providing.”**

## Mission

**To carry on the business of support service and fulfillment Service with higher level of efficiency by building competitive advantages on price and quality of international standard services.**

## Value

### TVD Services We “CARE”

**Care : Give caring to all employees, customers, and trading partners.**

- Have service mind for supporting and providing services to all persons.

**Accountability : Be proactive.**

- Have accountability and responsibility.
- Provide professional service.
- Have achievement oriented.

**Recognize : Realize on success of each individual, customer, and company.**

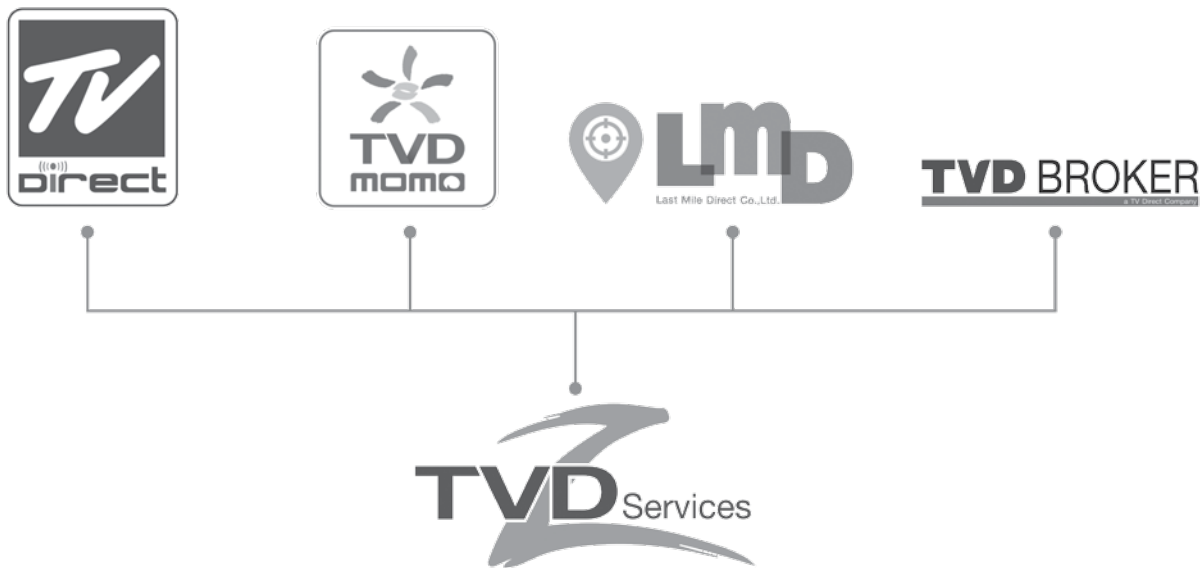
- Have reward recognition.
- Be there for each other.

**Enjoy : Have positive thinking attitude.**

- Be smiley and friendly.
- Enjoy work place.

# Business Scope





# Business Scope

## Scope of Business Operation

**TVD Services Company Limited was established with the following business goals:**

- To enable TV Direct Public Company Limited and associated companies to focus on operating main activities related to business directly.
- To upgrade business support operation of TV Direct Public Company Limited and its associated companies as well as its business partners to meet with international standards and higher level of efficiency according to Service Level Agreement (SLA)
- To enhance the abilities of resources sharing to reach the ultimate efficiency.
- To enhance cost and expenses management of overall management of all associated companies to be more efficient.
- To increase business opportunities in providing services to external organizations demanding our company's services.

Our company has operated our business to provide business support service to TV Direct Public Company Limited and its associated companies as well as its business partners with the scope of services as follows:

### 1. Accounting Service

The scope of accounting service is providing accounting services and furnishing financial reports of the company's units under the rules of Generally Accepted Accounting Principles or Accounting Standard for the use of company's management department in planning, controlling, and making decisions. Accounting information preparing will be based on different appropriateness and requirement of management department of each company upon their business types.



### 2. Financial Management Service

The scope of service of financial management service is managing finance, providing fund sources, and managing financial limits and credits of TV Direct Public Company Limited and its associate companies, as well as preparing financial analysis reports of business for the use of executives in planning, controlling, and making decisions.



### 3. Human Resources Management Service

The scope of service is as follows:

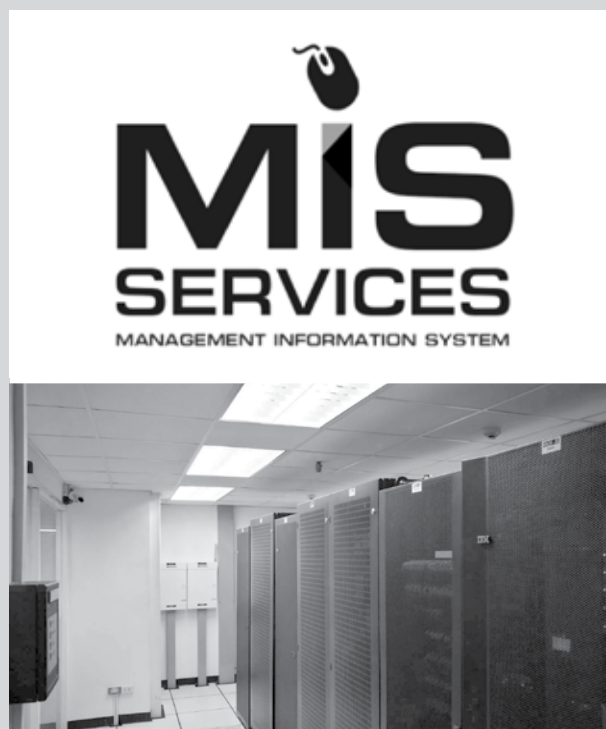
- 3.1. HR planning
- 3.2. Recruitment, Selection & Introduction
- 3.3. Personnel Administration
- 3.4. Training & Development
- 3.5. Performance & Reward Management
- 3.6. Talent Management
- 3.7. Succession & Career Planning
- 3.8. Labor Relations



### 4. Information Technology System Management Service

The scope of service is as follows:

- 4.1. Plan strategic plans on technology usage to meet with the ultimate efficiency as well as utilize modern and new technologies with the company.
- 4.2. Provide computer devices, install computers, and solve the problems on computer usage and its peripherals.
- 4.3. Design, develop, and give maintenance on Network and System of data center and connecting systems of TV Direct Public Company Limited's company group.
- 4.4. Provide management service and prepare database system for providing data services and support for operation and management department.
- 4.5. Manage and develop Application programs for responding to the operation of all units efficiently.



## 5. Centralized Procurement and General Administration Service

The scope of service is as follows:

- 5.1. Control and inspect property, furbish property registration and disbursement of office supplies.
- 5.2. Provide facilities to the company and visitors.
- 5.3. Provide procurement services by providing sources of product distribution, for example, office supplies, molds, packaging, properties, uniforms, and services with affordable and appropriate prices.
- 5.4. Provide building management services with supervision, control, and quality inspection for availability.



## 6. Operational Process Planning and Development Service

The scope of service is as follows:

- 6.1. Plan and develop operation process of all units to be consistent with the company's policies and goals in order to identify the main work process for ultimate efficiency of design and development.
- 6.2. Conduct qualitative and quantitative analysis in order to find worthiness and limitations of each alternative as well as to provide consulting on developing and improving work process for providing appropriate operational guidelines to all units for work effectiveness.
- 6.3. Measure efficiency and correctness of the operation according to new operation process in order to find defects for improving as well as to evaluate and monitor newly designed operational process.









TV DIRECT PUBLIC COMPANY LIMITED

25 Watcharaphon Road, Tarang, Bangkhen, Bangkok 10230

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