



TVD ANNUAL REPORT

ANNUAL REPORT 2017 TV DIRECT PUBLIC COMPANY LIMITED

2017

TV DIRECT

PUBLIC COMPANY LIMITED

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“Investors can study additional information of the Company in the Annual Information Disclosure (Form 56-1) as published on websites : www.sec.or.th or <http://investor-relation.tvdirect.co.th/en/home>”

01 | MESSAGE FROM CHAIRMAN

Message from Chairman of the Board and Chairman of the Executive Committee

Dear Shareholders,

The previous year of 2017 was considered as the year that the overall picture of home shopping business grew continuously from previous years with TV Direct and other 3-4 entrepreneurs as the large entrepreneurs of this business field. The remaining entrepreneurs, estimated to be over one hundred entrepreneurs, were small entrepreneurs with income from one hundred thousand baht to one million baht. The overall income of the market still met with the criteria of ten thousand baht per year and TV Direct has been the pioneer of home shopping business for 18 years. We are highly proud that we are still the leader of this business field in today world with many followers who have tried to copy our business model, sale methods, product designs, and presentation, as well as to compete on air-time. For this fact, TV Direct has considered this situation as the good options for our customers helping to stimulate TV Direct to be alert in developing ourselves in all dimensions in order to maintain our position as the leader of home shopping business continuously.

In previous years, online business started to play an important role in various forms including E-Commerce, Market Place, Facebook, Instagram, Amazon, Alibaba, M-Commerce, Email, Chat, etc., via more modern, rapid, complex, and convenient methods. Consequently, it has given such a big effect to retailing and wholesaling through all distribution channels and such effect is more severe based on the growth of online business. Fortunately, TV Direct executives have realized on this situation for several years in advance therefore they have already prepared and developed some online distribution channels by developing.

Consequently, the income earned from this distribution channel has been high to some extent. In addition, we have also tried to integrate with other distribution channels (Multi-Channel) in order to facilitate consumers to purchase our products via Multi-Channels with Multi-Screen and to synchronize all channels harmoniously to conform and facilitate one another smoothly. This kind of distribution channel is called Omni-Channel. For this Omni-Channel form, it has been prepared and tested since the end of 2017 and it will be utilized completely in 2018. In addition, it is also expected that it is going to be successful certainly.

In the past 2-3 years, TV Direct had improved and developed our organization systematically but we still attached to the criteria of home shopping business that was being the business with income mainly and continuously earned from home shopping business by separating important departments to be new companies with clearer operations, for example, all support departments (Account, Finance, MIS, H/R) and Logistics Department, etc. Consequently, our operation is more flexible while our goals are clearer. In addition, we are also able to reduce a number of personnel. Moreover, TV Direct also expanded our investment to other business fields beyond home shopping business to support our major business with synergy obtained from business operation, potential to grow, long-term future, and opportunities to yield some income to TV Direct group in the future. In addition, it also helps to reduce the risks caused by distributing products via one distribution channel and build income stability, growth, application of modern technologies, development of personnel, financial stability, company's sustainability, and consecutive income for shareholders. This is the strategy that has been improved by TV Direct through many obstacles during 18 years after establishing in order to build confidence of all related persons and maintain our position as the company with attractiveness on investment for long-term return.

Our company still attaches to and emphasizes on all participants and stakeholders of all sectors including participants and inside stakeholders consisted of employees and executives of the company or outside stakeholders consisted of trading partners, competitors, creditors, public agencies, communities, and other related organizations because we always realize on righteousness in treating all stakeholders properly. Consequently, our company will earn good profit with ethics, permanent sustainability and stability. With our determination to manage our business transparently with the Good Governance under the Principles of Corporate Governance, our company was evaluated on Corporate Governance of Thai Listed Companies of 2017 in the excellent level or CG 5 star by Thai Institute of Directors (IOD). In addition, our company also gained the highest score of CG score in TOP Quartile of the company groups with Market Capitalization at 1,000-2,999 million baht as the third year. Moreover, we also earned 100 points from Assessment on Annual General Meeting of Shareholders of 2017 held by Thai Investors Association as the consecutive 4th year. Another pride of our company in 2017 was that our company was certified as a member of Collective Action Coalition against Corruption or CAC by CAC Committee on August 18th, 2017. We still strive to promote and develop our Corporate Governance continuously.

Finally, on behalf of the Board of Directors and Executive Committee, I would like to thank all shareholders, investors, customers, business partners, private agencies, public agencies, and sponsors to support our company's businesses properly during the previous period. Especially, I would like to thank all employees in all levels of all departments, employees of our associated companies, and outsources for performing all operations with full abilities and fighting with all obstacles to lead our company to be this position proudly. We highly hope that we will be supported by all sectors as the past years in order to make our company as the organization with efficient, transparent, and fair operation for yielding reasonable return. In addition, we also aim to reward to society sustainably and grow along with Thai economy further. I would like to express my appreciation again for all of your goodwill given to our company regularly.



A stylized white signature of Mr. Tada Charukitpaisarn.

Mr.Tada Charukitpaisarn
Chairman of the Board



A stylized white signature of Dr. Pisut Chalakornkul.

Dr.Pisut Chalakornkul
Chairman of the Executive Committee

Message from Chief Executive Officer

Dear Shareholders of TV Direct Public Company Limited

For 2017, it was considered as another year that TV Direct Public Company Limited and our business had to encounter with many obstacles, for example, decrease of consumer's Purchasing power, lower price of crops, higher level of household debts and personal debts, as well as improper situation of overall economy. Consequently, our goals are more difficult to be achieved.

In 2017, the competitive situation of Home Shopping business was more intensive in various dimensions, for example:

1. Number of entrepreneurs : there would be entrepreneurs of existing business field, new TV shopping companies, and business with other distribution channels leading to more intensive competition.
2. Products : All entrepreneurs brought brand many new products to the market that was good for consumers because they had more options. However, it was also considered as another opportunity of low quality products to be in the market leading to pressure on price and difficulty of publication on differences of products.
3. Distribution Channels : Entrepreneurs competed to use Media with effect on making the highest sale volume leading to race condition on appropriate distribution channels for each entrepreneur. Importantly, there were variances on price, media, frequency of broadcasting, and approval on Home Shopping TV program. Consequently, advertising planning was more difficult leading to low sale volume in some periods due to uncertainty of such situation.
4. Efficiency : All entrepreneurs offered quick delivery, product quality assurance, the use of customer data and customer relationship as well as technological adaption for improving their efficiency leading to creative competition.
5. Product Price : Many entrepreneurs discounted product price in big amount, but it was also necessary for consumers to consider on quality of such product leading to product price comparing and price war.
6. Indirect Competition : Indirect competition affecting to our company were the growth of online business, especially strong competition of Market Place business requiring big investment in market share for possessing most shares as possible as well as army ants business in Social Media, for example, Facebook, etc., with over one hundred entrepreneurs.

Such situation could reflect our necessity on improving our potential in order to secure our position as the leader of Home Shopping business while making reasonable profits and building sustainability of our business based on new business models along with home shopping business.

For business profits of associated companies, many companies were under the period of commencement for further growing. We have given our effort on finance, time, management, and success with good procedures. There were 3 companies with loss, but they tended to be better as planned. Our associated company that was considered as Cash Cow was TVD Shopping Company Limited that could make good profit in 2017. However, from the above negative condition of our economy, TVD Shopping Company Limited made lower profit (both percentage and amount of money) leading to necessity of continuous promotion for maintaining our customer base. Consequently, the cost was higher compared to sale price leading to lower profit. However, we were still able to control other expenses efficiently.

For TV Direct Public Company Limited , although we were unable to make profit in 2017 due to those reasons, our EBITDA was still positive referring that we still earned profit, but it may be lower than our depreciation and other Non – Cash Expenses. After consolidating all profits of all companies, we still had the total loss of 50.50 Million Baht.

For media management of the third quarter of 2017, we improved and changed purchasing of all types of media, especially budget allocation of various kinds of TV advertising. We changed our operational concept after gaining success from Multi - Screen Business Model. Today, we have just started to utilize Omni Chanel Marketing that conforms with the fact that mobile phones will be a kind of portable device that will be operated 24 hours, whereas, our customers can order our products via many convenient channels including retailing, catalogs, TV and online channels. Today, after reaching 3G and 4G era, our consumers unite with various forms of media, therefore there is only a few differences among media and distribution channels. Most consumers have the behavior of purchasing products from considering on mixed media that cannot be separated from one another.

In the 3rd quarter of 2017, we started to test our marketing and advertising based on the concept of TVD OMNI Television. The obtained results were what you could see in the 4th quarter of 2017, whereas, we was able to gain turnaround in 3 dimensions including TVD brand, sale volume, and profit. In addition, we also believed that this phenomenon would be sustainable by readiness of our team, business, and supporting technologies. Accordingly, we can be confident that our inner operation system of 2018 will also be considered as top performance besides better economic situation of Thailand. In this year, we can achieve many goals, for example, we can deliver products to customers with the most rapid service of the market with lower cost, we are able to sell some inventories and earn around 100 Million Baht, we can maintain our margin level, and we can control expenses of all departments significantly leading to lower expenses. With these reasons, we can be confident that we have such a high opportunity in 2018 to provide return to all shareholders certainly.

We would like to thank all shareholders who are holding shares of TV Direct Public Company Limited for your regular support and confidence given to us. I have already checked from Share's Book and I have found that the first 100 orders are still close to former orders. In the past 2-3 years, there is a group of shareholders who gave us higher level of trust by purchasing additional shares but there were also some shareholders who sold our shares. However, I, on behalf of our company and TVD Team, would like to thank all shareholders with my deep appreciation.

Your acknowledgement will be highly appreciated.

Buddha bless,



Mr. Songpol Shanmatkit

Chief Executive Officer

TV Direct Public Company Limited





Board of Directors

01

Mr.Tada Charukitpaisarn

Chairman of the Board

Chairman of the Audit Committee and Independent Director

02

Mr.Songpol Shanmatkit

Director

04

Dr.Pisut Chalakornkul

Director

03

Mr.Thanabul Maturanont

Director

05

Mr.Wirasack Wirojwattanakul

Director



06 Mr.Chalermpong Mahavanidvong
Director

07 Mr.Yutaro Suzuki
Director

08 Mr.Anucha Chintakanond
Independent Director

09 Mr.Suthep Suebsantiwongse
Independent Director



Executive Committee

01

Dr.Pisut Chalakornkul
Chairman of the Executive Committee

04

Mr.Wichian Manapongpan
Executive Committee

02

Mr.Songpol Shanmatkit
Executive Committee/CEO

05

Mr.Thanabul Maturanont
Executive Committee

03

Mr.Wirasack Wirojwattanakul
Executive Committee

06

Mr.Chalermpong Mahavanidvong
Executive Committee



Audit Committee

01 Mr.Tada Charukitpaisarn
Chairman of the Audit Committee
and Independent Director

02 Mr.Anucha Chintakanond
Audit Committee Member

03 Mr. Suthep Suebsantiwongse
Audit Committee Member



Nomination and Remuneration Committee

01

Mr.Phongsuree Bunnag

Chairman of the Nomination
and Remuneration Committee

03

Dr.Pisut Chalakornkul

Nomination and Remuneration Director

02

Mr.Songpol Shanmatkit

Nomination and Remuneration Director



Management Committee

01 Mr. Songpol Shanmatkit
Chairman of Management Committee
Chief Executive Officer

04 Ms. La-orsri Maturanont
Management Committee
Head of Merchandise Marketing

02 Mr. Wichian Manapongpan
Management Committee
Head of Finance and Accounting

05 Mr. Yuvaboon Khamwangyang
Management Committee
Managing Director TVD Services Co., Ltd.

03 Mr. Pongchai Shanmatkit
Management Committee
Head of Direct Shopping

02 | DETAILS OF EXECUTIVES AND CONTROLLING PERSONS OF THE COMPANY

Details of Executives and controlling persons of the Company as at December 31, 2017

Name/Position	Age	Education/Training course and other academic of (Director (OD))	Stake in the company							Family relationship with other related party	Working experience during last 5 years and position in other company			
			As at December 31, 2016 (Share %)		Grants in Year 2017 (Share %)		As at December 31, 2017 (Share %)		As at December 31, 2017 (%)		Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
Mr. Tada Chankiatkarn Independent Director Chairman of the Audit Committee	65	- Master of Education Communication and Faculty in Marketing / Advertising North Siam Rajabhat University - Bachelor degree from Faculty of Science Chulalongkorn University - Took to summer in Sweden Scholarship Program (1995) and 1999/2001 and JNU class 1999/08	184,225	-	-	-	184,225	-	184,225	0.05%	July 2017-Present	Chairman of the Board	Thailand Bank Co., Ltd.	Financial Bank
											August 11, 2016 - Present	Chairman of the Board	Thailand Public Company Limited	Public company Marketing
											April 2015-Present	Independent Director Chairman of the Audit Committee	Thailand Public Company Limited	Public company Marketing
											November 3, 2010 - April 2015	Independent Director Audit Committee	Thailand Public Company Limited	Public company Marketing
											April 2011 - June 2015	President	Krajong Credit Co. Co., Ltd.	Credit and credit service company
											2004 - 2010	Senior Vice President	BNB Bank Ltd.	Commercial bank
											Director / Executive Position in Other Listed Companies:			

Name/Position	Age	Education/Training courses from their institute of Directors (IOD)	Status in the company: including spouse and other child						Family membership with other executives (RS)	Position	Company Name	Type of Business
			As at December 31, 2016 (1st year)		Change in Year 2017 (Share%)		As at December 31, 2017 (Share%)					
			Spouse one minor child	Own child	Spouse one minor child	Own child	Spouse one minor child	Total				
Mr. Sengul General Manager S. S. Sengul Executive Director Chief Executive Officer	47	- Bachelor degree in Computer Engineering Management from Azerbaijan University - Bachelor degree from Baku State University Faculty of Architecture and Engineering University - Chief Executive Officer Certification Program (case 10/200) and Government Certification Program (case 10/200) from Azerbaijan State University (2007)	22,412,370	227,261	152,000	-	25,862,234	267,24	22,679,475	Specialist of the company Management	1998 – 2000 – General Manager 2000 – Present Executive Director	Manufacturing Company
Mr. Sengul General Manager S. S. Sengul Executive Director Chief Executive Officer	47	- Bachelor degree in Computer Engineering Management from Azerbaijan University - Bachelor degree from Baku State University Faculty of Architecture and Engineering University - Chief Executive Officer Certification Program (case 10/200) and Government Certification Program (case 10/200) from Azerbaijan State University (2007)	22,412,370	227,261	152,000	-	25,862,234	267,24	22,679,475	Specialist of the company Management	1998 – 2000 – General Manager 2000 – Present Executive Director	Manufacturing Company

Name/Position	Age	Education/Training course (Year/Year Institute of Education (DOB))	Share in the company including options and restricted shares						Family relationships with other executives	Tenure Function	Company Name	Type of Business	
			As at December 31, 2015 (Share)		Share in Year 2017 (Share)		As at December 31, 2017 (Share)						As of December 31, 2017 (%)
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child					
M. Tharshid Managing Director (Joint and Solely) Executive Committee	47	- Master's Degree from Pacific Rim University, in the Business & Finance, Canadian University of Calgary	15,27,100	20	15,222,000	-	7,17,000	21	2,071,211	25%	Director Executive Committee Managing Director	TV Show Public Company - mine P/O Shipping Co., Ltd	Manufactured Knowledge Heavy Shipping
		- Bachelor's degree from Pacific Graduate Faculty of the Government University of California								March 2010 - June 30, 2014 Present	Head of Human Resources Managing Director	P/O Shipping Co., Company - mine	Manufactured Knowledge
		- Training in Sweden from 1997 to 1998 in (HSE) from 1997 to 1998 in (HSE) from 1997 to 1998 in (HSE) from 1997 to 1998 in (HSE)								August 2010 - March 2012 Present	Chief Executive, Marketing Chief	P/O Shipping Co., Company - mine	Manufactured Knowledge
										March 2011 - June 2011 Present	Director	P/O Shipping Co., Company - mine	Manufactured Knowledge
										2000 - 2012 Present	General Manager	The Sany Energy Company	Electricity generation
										2006 - 2012 Present	Managing Director	Kraft Pulp and Paper Company	Pulp
										2010 - Present	Director	TED Graduate Co., Ltd	Construction, engineering and contracting

[illegible]

[illegible]

Name/Position	Age	Education/Training course from Post Institute of Graduate Studies (IGGS)	Share in the company including spouse and minor child						Final relationship with other assets held	Working experience including spouse and partner in other company				
			As at December 31, 2016 (Share)		Change in Year 2017 (Share)		As at December 31, 2017 (Share)			As at December 31, 2017 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
Mr. Albert Wong Chairman Executive Committee	50	- Bachelor Degree from Engineering Faculty in Chinese University of Hong Kong - Training in Canada Accredited Program (CAF) (May 2003)	6,340,519	-	-	-	6,340,519	-	2,240,272	2.98%	Director	Tai Ewe Pao Co. (Overseas Ltd.)	Manufacturing (Electronics)	
											Executive Director	Tai Ewe Pao Co. (Overseas Ltd.)	Manufacturing (Electronics)	
											Chairman of the Board	Tai Ewe Pao Co. (Overseas Ltd.)	Manufacturing (Electronics)	
											General Manager	RTI Enterprise Co., Ltd.	Electronic products distributor	
											Director	Wong Wai Co., Ltd.	Manufacturing (Textiles and clothing)	
											Director	Wong Wai Co., Ltd.	Manufacturing (Textiles and clothing)	
											Director	Wong Wai Co., Ltd.	Manufacturing (Textiles and clothing)	
											Director	Wong Wai Co., Ltd.	Manufacturing (Textiles and clothing)	

[illegible]

[illegible]

[illegible]

Name/Position	Age	Education/Training/Qualifications From That Institute of Education (ICCI)	Status in the company including spouse and minor child						Family relationship		Working experience during last 5 years and position in other company			
			As at December 31, 2017 (Rs.000)		Change in Year 2017 (Rs.000)		As at December 31, 2017 (Rs.000)		As at December 31, 2017 (%)	Profit with office association	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total					
		Undergraduate, BBA, 192012, Working for a number of international & local companies, KPMG Management Services, advised on financials, IT/CRM, Software, HR, HR and sales in Retail chain, ICD Team 20012, Consulting as Executive for Retail Enterprises, 8 years of experience in Management, Own right								Feb - Jun 2017	Advisory to Sub-committee on the selection of candidates for the position of Vice-Chairman of the Board	Comrade Sir Syed Ahmad Khan Education Trust	Independent Government Agency	
		2. Nov. 2017, Travel and Hospitality Conference on Corporate Governance, U.S.A.								2005-2010	Vice-Chairman of Social Governance Board	Hamdard University	University	
		3. Nov. 2017, Travel and Hospitality Conference on Corporate Governance, U.S.A.								2006-2015	Advisor	Public Sector Corporation Co. Ltd.	Government and public sector	
		4. Nov. 2017, The Basics of Corporate Governance, U.S.A.								2006-2010	Advisor	Government of Punjab	Government	
		5. Nov. 2017, The Basics of Corporate Governance, U.S.A.								2006-2009	Executive Director	Public Sector Corporation Co. Ltd.	Government and public sector	

Name/Position	Age	Education/Training course from Thai Institute of Directors (IOD)	Stake in the company, including equity and other right						Family relationship with other executives	Duration	Position	Company Name	Type of Business
			As of December 31, 2016 (Share)		Change in Year 2017 (Share)		As of December 31, 2017 (%)						
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child					
Mr. Satoru SAKURAGAWA Executive Director Full-time	72	Shizuoka Japan Branch Administration Course Shizuoka-shi, JPN Training Institute of Directors California, Vietnam (ICD)	-	-	-	-	-	-	-	January 2015 - Present	Executive Director, Audit Committee Member	Tea and Food Company Limited	Manufacturing
Mr. Pichayakorn Kiataramkul										2013 to 2016	Director	The Paper Supply Center Co., Ltd.	Trading
Mr. Pichayakorn Kiataramkul										2013 to 2016	Chairman of the Board	Tea and Food Company Limited	Manufacturing
Mr. Pichayakorn Kiataramkul										2013 to 2016	Director	Tea and Food Company Limited	Manufacturing
Director & Executive Position in Other Listed Companies:										(None)			

Name/Position	Age	Education/Training course from Tertiary Institute of Ontario (IOC)	Shares in the company including options and other						As at December 31, 2017 (\$)	Family relationship with other executives	Working experience during last 5 years and position in other company			
			As at December 31, 2016 (\$Share)	Own	Spouse and minor child	Options	As at December 31, 2017 (\$Share)	Own	Spouse and minor child					
Mr. Angelo Gennaro, President and CEO	44	- Bachelor Degree Faculty of Engineering King's University (University of Western Ontario) - Master Degree, Business Administration University of Western Ontario	-	190,000	-	120,000	-	120,000	-	Director of Marketing	March 1, 2012 to Present	President of Marketing Company Limited	Marketing	Marketing
Mr. Jeremy Goldstein, Vice President of Marketing	42	- Bachelor Degree, Marketing City University, USA - Bachelor Degree, Business Administration University of Western Ontario	267,000	55,000,000	-	120,000	55,000,000	55,000,000	3,500,000	Director of Marketing	March 1, 2012 to Present	President of Marketing Company Limited	Marketing	Marketing
Director/Executive Position in Other Listed Companies:											None			
Director/Executive Position in Other Listed Companies:											None			

Marital Status	Age	Education/Training degrees, titles, titles, Institute of Directors (I/D)	Share in the company, including special and minor debt						Partly with other associates (%)	Outside	Position	Company Name	Type of Business
			As of December 31, 2019 (Share)	Change in Year 2017 (Share)		As of December 31, 2017 (Share)		As of December 31, 2017 (%)					
Mr. Jordan Kawarogor Executive Director Company Secretary Board of Directors (Chairman)	50	Master Degree from Customer Service Center Faculty in Culture Administration, Institute Makdoo	22	-	-	00	-	20	2000	January 22, 2016 Project	Head of Finance and Accounting	Ty One Public Company Limited	Manufacture Marketing
										September 1, 2015 Project	Company Secretary	Ty One Public Company Limited	Manufacture Marketing
		Ph.D. from University Makdoo, specializing in Marketing Advanced								March 1, 2016 Project	Executive Director	Ty One Public Company Limited	Manufacture Marketing
										March 1, 2016 – Project	Chief Financial Officer	Ty One Public Company Limited	Manufacture Marketing
		Graduated Public Administration The first course in Business Administration Program of 1997 (Makdoo)								March 2015 – Project	Finance	Ty One Public Company Limited	Manufacture Marketing
										2017 – 2022	Executive and Supervisory Director	Head of Finance and Accounting Makdoo Co., Ltd.	Manufacture and general services services
										2017 – 2022	Joint President of Makdoo and Makdoo	SA Ty One Food and Beverage, Pte. Limited	Food and beverage entity Makdoo Food
										2014/2015	Director	Ty One Public Co., Ltd.	Manufacture

Marital Status	Age	Education/Training since first year Institute of Directors (ICD)	Stake in the company (including spouse and minor child)						Family relations to wife other members as	Working since incorporation of your association in other company						
			As at December 31, 2014 (Share)		Change in % 2015 (Share)		As at December 31, 2017 (Share)			Condition	Position	Company Name	Type of Business			
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child								

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03 | GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

Name.	TV Direct Public Company Limited
Registration No.	0107554000101
Type of business:	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:- 1. Direct shopping which can be separated into 3 parts as 1.1 TV marketing: Selling of products and services through normal television, satellite television, cable TV with membership viewers, and the digital television. 1.2 Selling of products and services through the outbound call center. 1.3 Direct response printing : Selling of products and services through the printed media. 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. 3. Retail Shopping : Retail distribution of products and services through the TV Direct Showcase shops including wholesales operations for domestic and international customers.
Registered Capital	341,250,035 Baht Divided into 682,500,070 shares at par value of Baht 0.50 per share
Paid-up Capital	325,146,675 Baht Divided into 650,293,350 shares at par value of Baht 0.50 per share
Address	25, Watcharaphon Road, Tarang, Bangkhen, Bangkok 10230
Home page	www.tvdirect.co.th
Tel.	02-666-0999
Fax.	02-666-0888
Other references:	Share registrar : Thailand Securities Depository Co., Ltd. Address : 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. 02-009-9000 Fax. 02-009-9001 Auditor : Dharmniti Company Limited Address : 178 Soi Treasure (Prachachuen 20) Prachachuen Road, Bangsue, Bangsue, Bangkok 10800 Phone : 02-596-0500 Fax : 02-596-0539

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

As of 31 December 2017

	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 315,000,000
2	TVD Services Co., Ltd. (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	02-666-0009	02-666-0288	Common Shares	Baht 70,000,000
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 55,000,000
4	Last Mile Direct Co., Ltd. (Originally known as JMI Direct (Thailand) Co., Ltd.)	Originally operates selling household equipment business but from January 1, 2017 onwards will operate Logistics & Fulfillment business	Thailand	02-606-0096	02-606-0859	Common Shares	Baht 40,000,000
5	3-RD Co., Ltd.	Call Center Outsourcing Services and Direct Marketing Solution	Thailand	02-751-5588	0-2353-6500	Common Shares	Baht 30,000,000
6	Magik Pient Co., Ltd.	Internet Service Provider (ISP), Data Center, Cloud Service, and Internet Connection Infrastructure.	Thailand	02-666-0896	-	Common Shares	Baht 30,000,000

Other important information

Nil.

บริษัท ทีวี ไตรเธิค จำกัด (มหาชน)

TV DIRECT



2017

CORPORATE
AWARDS

THE YEAR OF SUSTAINABILITY



Collective Action Coalition Against Corruption

On November 21, 2017, TV Direct Public Company Limited received a Certificate of Collective Action Coalition Against Corruption (CAC) from the CAC Board in order No. 227 from 854 Participating companies.



CORPORATE GOVERNANCE REPORT OF THAI LISTED COMPANIES

2017

Company with Excellent CG Scoring



In 2017, the Company's Corporate Governance was evaluated by Thai Listed companies Association in Excellent level or CG 5 stars which is the highest level from Thai Institute of Directors (IOD).

TOP QUARTILE COMPANIES By Market Capitalization

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

In 2017, besides gaining the result of evaluation on Corporate Governance as "Excellent CG scoring", the Company was also ranked in the Top Quartile of companies with Market Capitalization of 1,000-2,999 Million Baht for 3 consecutive years (2015-2017).



Thailand Sustainability Investment 2017

TV Direct Public Company Limited was selected to be listed in the list of Thailand Sustainability Investment (THSI) for 2 consecutive years (2016-2017) which reflects the Company's 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.



The Excellent Workplace Year 2017

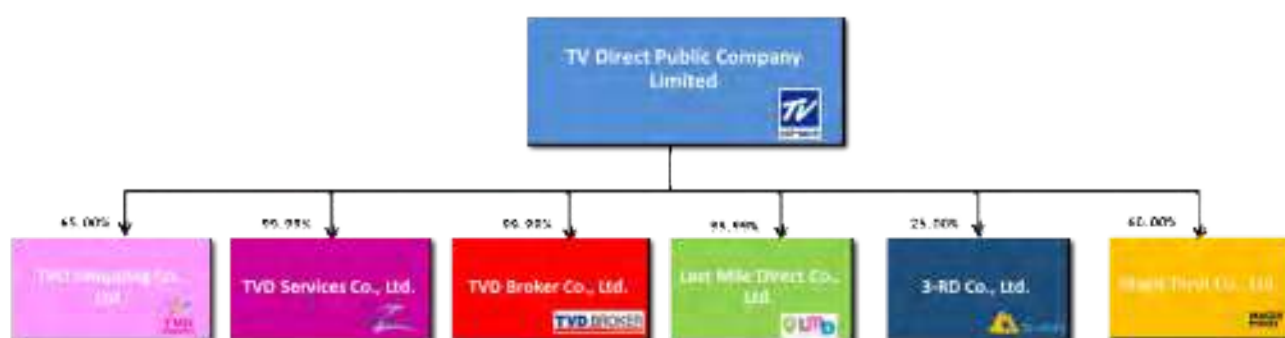
TV Direct Public Company Limited received a Trophy of the Excellent Workplace in Labor Relation and Welfares from the Ministry of Labo for 3 consecutive years (2015-2017)



New Dimension in creating a career for Disabled person Project

In 2017, TV Direct Public Company Limited received a certificate from the Ministry of Labor due to the Company support and employ the disabled persons to be the Company's employee.

05 | SHAREHOLDING STRUCTURE

Shareholding structure of the subsidiary companies as at December 31, 2017 :-**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 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, 2017 had the registered and paid up capital of Baht 345,000,000.

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, 2017 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, 2017, it has the registered and paid up capital of Baht 55,000,000.

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, 2017 it has registered capital and paid up capital of Baht 40,000,000.

5. 3-RD Co., Ltd.

3-RD Co., Ltd. is a registered and has been established in Thailand in January 4, 2007 and the Company holds 25.00% shares.

3-RD Co., Ltd. operates Tele-sale/ call center services and distribution of software. As at December 31, 2017 it has registered capital and paid up capital of Baht 36,000,000.

6. Magik Pivot Co., Ltd.

Magik Pivot Co., Ltd. is a registered and has been established in Thailand in December 14, 2017 and the Company holds 60.00% shares.

Magik Pivot Co., Ltd. operates Internet service provider and provide Data Center Services, Cloud Services and network infrastructure system for internet connection. As at December 31, 2017 it has registered capital and paid up capital of Baht 30,000,000.

06 | FINANCIAL HIGHLIGHTS

Financial Highlights

(Unit : Million Baht)

Description	Audited Consolidated 2015	Audited Consolidated 2016	Audited Consolidated 2017
Cash and cash equivalents	254.12	164.90	213.95
Accounts receivable- others-net	231.47	141.79	168.99
Inventories - net	413.50	481.04	326.78
Property, plant, and equipment - net	391.76	442.82	415.18
Intangible assets - net	62.59	69.59	62.18
Total Assets	1,837.26	1,681.37	1,532.11
Bank overdrafts and short term loans from financial institutions	372.38	384.78	259.25
Accounts payable - others	460.70	402.93	457.36
Liabilities under financial lease	9.40	3.81	0.4
Long term loan from financial institutions	27.37	29.19	36.31
Total Liabilities	973.88	865.40	807.14
Registered Capital	341.25	341.25	341.25
Paid up capital	325.00	325.15	325.15
Retained earnings			
Appropriated - legal reserve	24.39	3.80	3.8
Unappropriated	(174.50)	(142.37)	(206.38)
Total Shareholders' Equity	863.38	815.97	724.97
Total Revenues	3,060.53	3,435.29	3,329.11
Cost of Sales and Services	1,555.47	1,785.44	1,898.35
Selling and Administrative expenses	1,502.39	1,586.56	1,479.02
Finance cost	18.45	11.72	11.33
Income tax	(4.17)	11.87	(8.24)
Net profit	(40.61)	14.36	(65.86)
Weighted average number of shares at par Baht 0.50	649,988,289	650,293,350	650,293,350
Basic earnings per share (Baht)	(0.0624)	0.02209	(0.10127)

07 | 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.



Network Building Project for Changing Life of 13,000 Patients with Cancer

TV Direct Public Company Limited sponsors a social activity through Network Building Project for Changing Life of 13,000 Patients with Cancer held by MAI Listed Company Association under the cooperation with Art of Life Social Enterprise Company Limited in order to build inspiration, understanding, and plan for correct cancer treatment by mutually designing and printing Survivor Planners for giving to 13,000 patients with cancer in public hospitals joining with this project throughout Thailand. This planner will help to record some useful information for healing patients with cancer in Thailand.



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 2017, 16 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

08

**POLICY AND BUSINESS
OVERVIEW**

VISION TVD

SECOND TO NONE

TV DIRECT

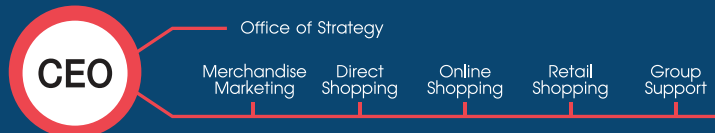


Mission 8

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
- Engagement
- Life Time Value
- Satisfaction

FULFILLMENT

- Trace & Track Technology
- Special Handling Home Delivery

PRODUCT

Problem Solving Product

- Communication
- Innovation
- Accessibility
- 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

09 | BUSINESS OPERATION

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 The distribution of products and services through the outbound call center. (Outbound Call Center)

1.3 The distribution of products and services through the direct response printing (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.



Revenues Structure

Revenues structure of the Company and subsidiaries companies during 2015 - 2017 is listed below :

Type of Revenue	Operated by	2015		2016		2017	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from sales and services							
1.1 TV marketing	Company	1,495.28	48.86	1,770.77	51.55	1,995.21	59.93
1.2 Direct marketing							
- Outbound Call Center	Company and Subsidiaries	395.82	12.93	396.01	11.53	346.09	10.46
- Printed Media	Company	113.27	3.70	138.27	4.03	92.12	2.77
- Website – On-line	Company	70.75	2.31	117.14	3.41	129.98	3.90
- Call Center	Subsidiaries	43.48	1.42	50.47	1.73	53.52	1.61
- Direct Sale	Company	2.79	0.09	0.00	0.00	0.00	0.00
Total Revenue from Direct Marketing	Company and Subsidiaries	626.11	20.46	710.90	20.69	623.69	18.73
1.3 Conventional Marketing							
- Retailing through Direct2U And TV Direct Showcase	Company	366.62	11.99	404.66	11.78	246.20	7.46
- Wholesaling to domestic and foreign customers	Company	101.77	3.33	70.90	2.06	35.07	1.05
Total Revenue for Conventional Marketing	Company	468.38	15.31	475.57	13.84	283.28	8.51
1.4 Total Services ¹⁾	Company and Subsidiaries	424.98	13.89	432.89	12.60	302.66	11.80
1.5 Other jobs ²⁾	Company	25.94	0.83	12.84	0.37	15.74	0.47
Total Revenues from Sales and Services		3,040.45	99.35	3,402.96	99.06	3,310.77	99.45
2. Other Revenue ³⁾	Company and Subsidiaries	20.04	0.65	32.31	0.94	16.55	0.55
Total Revenue		3,060.53	100	3,435.29	100	3,329.11	100.00

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

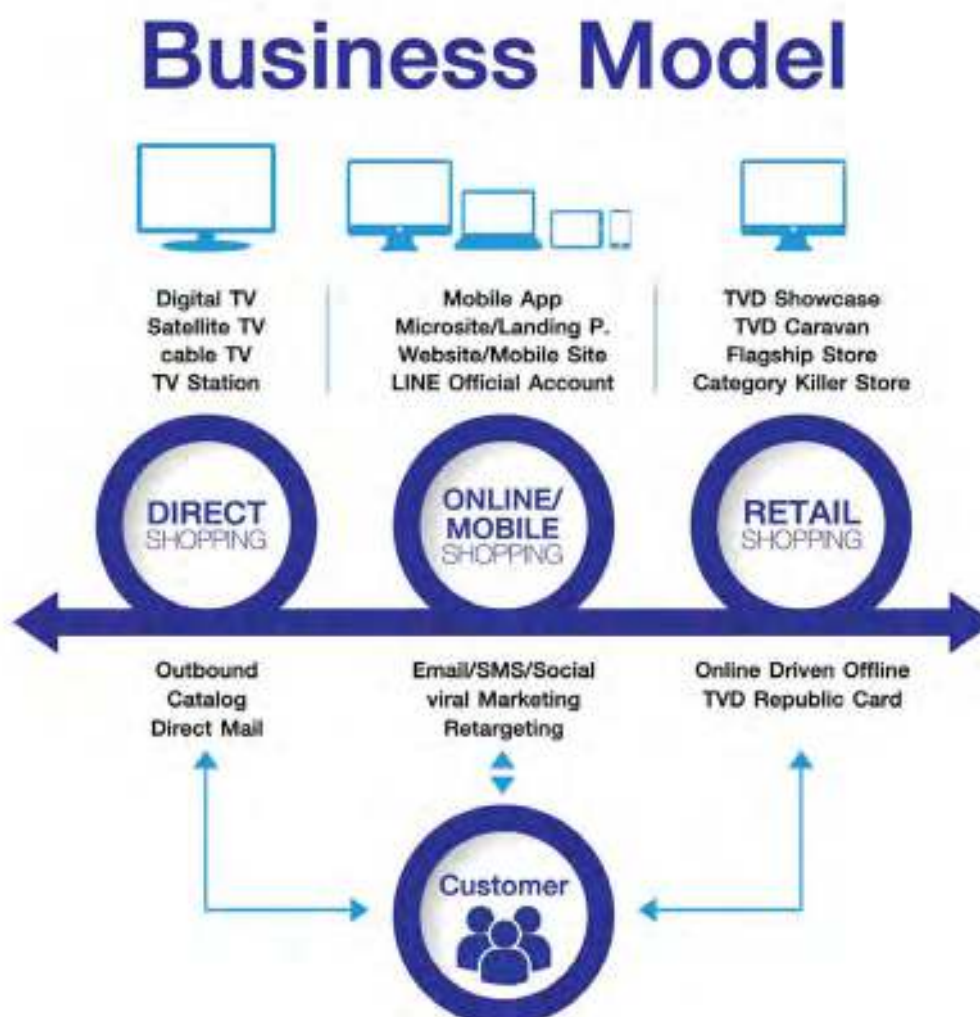
2) Other jobs mean revenue from products distribution that do not distribute through the main distribution channel.

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

Revenue from Domestic and Foreign Sales and services during 2015 - 2017

Revenue From Sales and Services	Operated by	2015		2016		2017	
		Million Baht	%	Million Baht	%	Million Baht	%
Domestic	Company	3,023.35	99.44	3,402.29	99.98	3,310.77	100
Foreign	Company	17.14	0.56	0.69	0.02	0.00	0.00
Total Revenue from Sales and Services		3,040.49	100.00	3,402.98	100.00	3,310.77	100

Details on business operation of segment are as follows :



► DIRECT SHOPPING



Direct Shopping

Direct shopping can be separated into 3 categories as follows:

1. TV Marketing

(1) Description for products and services

The Company provides its products and services through TV marketing in the form of information communication to offer products or services directly to consumers through television systems such as regular television, satellite TV, and cable TV. The company provides products and service as well as producing TV to offer products and service using the company's media production team. The company's studio is used for this regard. The programs are then broadcasted on various television systems.

If the customers wishes to purchase products or services, they can purchase products and services by phone to Inbound Call Center at the phone number specified by the company. The company has employees to receive calls for orders from customers. These employees are trained to understand the products and services well so that they can provide details and advice about products and services to customers.

Based on the sale plan of TV Direct, the TV media is used as a main media for doing business as television is still a media that can reach a wide audience and reach a large number of audience. At the present, watching television is not limited to watching through TV screen, but also watching TV via cable, satellite, digital TV tuner or through a computer screen, smartphone and tablet, etc. The Thai people in the 4.0 era can get access to technology and Internet easier and faster than ever. Social media has a role to play in the daily lives of all Thais. Currently, the media has more channels and variety. Therefore, only one sale strategy may not work well as using the power of all communication channels together to achieve sales target of the company.

The rapid increase in the number of digital TV channels and online media makes each channel a new creation of program that is more unique in order to get higher rating and to make the program to be well known, as well as to create more streamlined as possible. TV Direct is the same. The company has prepared for the production team to introduce the product's introduction programs in the form of entertainment, fun and enjoy the benefits of talking and demonstrating products. This year, the Company has introduced a variety of programs and products with a lot of broadcasting.

Example of programs produced by TV Direct is Infomercial Program which can be broadcasted in all free channels because the content of the program is clear separated as information part and product selling part in the form of commercial ads. The second type of program is Home Shopping Programs which is a program for selling product. Program is approximately 25 – 30 minutes per one product. This type of program can be broadcasted in satellite TV, cable TV and some period of digital TV. The last type of program is TV Commercial which is about 2 minutes long to be broadcasted during the commercial period of a program with high rating. Only products that are suitable for every member of the family or majority of people are selected to be advertised in this type of program.

The media team must evaluate the sales achieved from the television media every time it is broadcast. If the results are as planned, It will be possible for the spot or program to be broadcasted on many TV channels. At present, the company's television ratings show that the ratings of TV are lower than ever before. There is a group of people who do not watch TV, but watch Rerun online or watch it on other screen. It is estimated that up to 30% of the viewers disappear from the TV screen. Thus, eyeballs that are distributed in the online media affect the content producers and the channel very much because agencies and customers are also using media advertising through KPI measurement of television ratings.

Therefore, in 2017, TV Direct has adjusted the strategy of using TV to accelerate sales to achieve the target by selecting spots that can generate good sales to be broadcasted in the channel with good ratings. In addition, the channel is also offering advertising budget in the budget as planned, resulting in TV Direct Public Company Limited is ranked as the brand with the highest advertising spending for two months in October and November 2017.

** Source : Report on the use of advertising budget by Nelson Thailand Co., Ltd. through magazines business news “Positioning” **



1. Direct Response TV (DRTV)

Home Shopping Program through general TV channel both Digital Satellite TV. Regarding the selling to this channel, the Company plans to select the channel and broadcasting time to generate the sales to the business. This is a channel that TV Direct is a pioneer and has been using this channel for a long time. The Company is the first one in the Home Shopping business. Moreover, the Company can also create TV Direct brand to be recognized and branded clearly through the Free TV in all channel. In term of production of television programs, TV Direct is also considered as a prototype for the program that can be broadcasted to any TV channel. The Home Shopping Program has been passed the Central Censorship Board and channel's censor team for always.

Content of Infomercial Program broadcasted in Digital TV can be divided into 2 parts. The first part presents the problem and background of the product and the second part is the commercial ad focusing on selling product with price, telephone number, and promotion, etc.

Most of Home Shopping Program is broadcasted in Satellite TV and some channel of Digital TV. It is produced in the way that can create the sale. Since the beginning, price and telephone number is presented by using the Banner placing in the suitable position. The moderator presents the product clearly so that the customers understand and being interesting in the product.

2. TV Station

TV Direct has 3 channels being broadcasted in Satellite TV as follows:



1618 Shop: A channel broadcasted in Satellite TV in C Band and KU Band, Channel No. 39 of PSI. The programs are broadcasted for 24 hours as Home Shopping Program. There are 2 moderations who will provide deep detail of product presentation and demonstrate the use of product. There are varieties of products available with sale promotion that can stimulate your desire to buy the product and call us.



Health and Family: A channel broadcasted in Satellite TV in C Band, Channel No. 40 of PSI. The programs are broadcasted for 24 hours which includes a wide range of variety programs such as series from India, Korea, and America, "Horo Hiso" which is a horoscope program, and documentary programs on the nature. These variety programs are alternately broadcasted with Home Shopping Programs which is selected by the channel as the Best Seller particularly.



CHANNEL 55: A channel broadcasted in Satellite TV in C Band and KU Band, Channel No. 39 of PSI. The programs are broadcasted for 24 hours as Infomercial Program. The best seller products from Digital TV is selected to be presented in special version in the form of Home Shopping. Thus, the program are varied in term of the format and product which is suitable for everyone. The products that are response to the happiness and convenience of the family member are focused.

The variety of station and program format make the Company has a good sale through Satellite TV. The sales reached the target that has been set.

The marketing plan and operational policies are required in selling products through television in order to achieve business success with the following management and regulatory bodies:

1. Merchandise Marketing	Product aquirsition unit
2. Product Promotion	Marketing and promotion
3. Production & Broadcast	Product ntroudction program production team and broadcasting team
4. Media	Braodcasting time
5. Call Center & Tele Marketing	Call center team
6. Data System	Database and MIS

Merchandise Marketing

Merchandise Marketing will search for the products that every household should have including home appliance, a set of pottery, pan, gas stove, etc. or the products that people in this era should have such as mobile phone, CCTV, and fashion items like casual wear, underwear, etc. The Company then has the Home Shopping Program with complimentary and can create consistent sale and view. Merchandise Marketing also adds the popular and festive products so that the overall sale can reach the target.

Product Promotion

Nowadays, it is very important for the production to be presented together with product presentation in order to stimulate the audience to make a decision to buy product immediately. There are many competitors in the market today. Promotional products are indispensable in the production of Home Shopping Program. Thus beside determining the products and sale strategy, the Merchandise team have to plan the promotion. Variety of promotions will make the production to be more convenient and fast. As the competitor channel has similar products to be offered to the audience where the purchaser can compare the product and price easily. Therefore the program and sale presentation must be different and attractive. Sometime, the revenue comes from the free of charge product or promotional products rather than the core product presented.

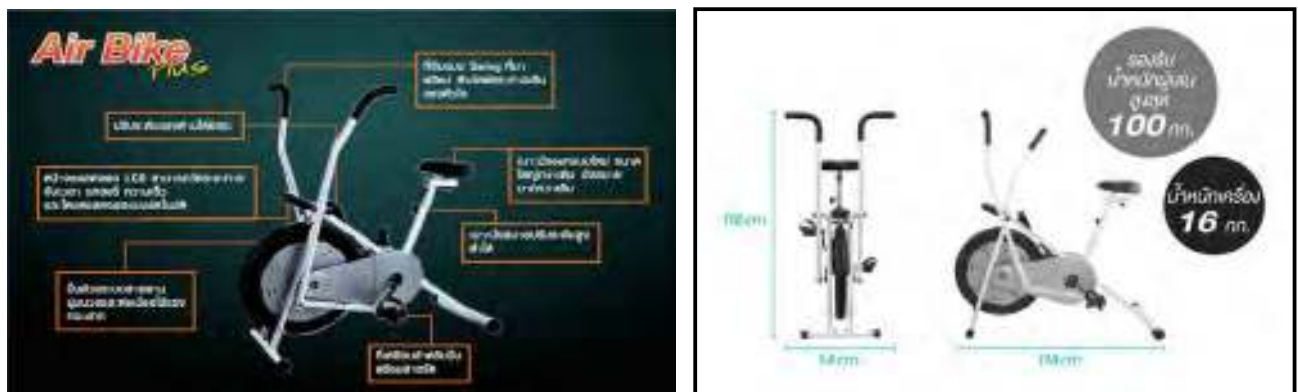
TV Direct as popular products with good sale revenue such as:



Popular products that generate good sales every year.



Gym equipment that TV Direct is the leader in the business for all the time.



Genie Bra: fashion product that can be easily worn and accepted from all the women



Household products that are interesting and every house should have



Big Vision Innovative products that can generate the sale well, Eagle Eyes and Big Vision Eyeglasses



Precious gifts for every festival



In searching for suitable products, Merchandise team is focusing on the Company's key which is the product with quality, pleasure, comfort, and life's need.

Production

The production team will rotatory produce Infomercial, Home Shopping and TVC programs by focusing on image and sound quality together with uniqueness in order to create brand recognition for TV Direct Brand. In the production of every programs, the Company focuses on presenting that the products in TV Direct is a genuine product with the return guarantee which is different than the Home Shopping Program available in other channel.

In the program production, the actors or well-known person, model, and experts are invited to provide more information about the product in order to make the program becomes reliable and to boost the views. The production is done in conform to the requirement of censor team and governmental agencies. Thus, the Company has the programs being broadcasted in every channel with the number of view that can create good sales this year, as appeared in the marketing news in the present.



Media

Media Team must determine station, TV programs, period, and Home Shopping Program to be presented in Digital TV and Satellite TV. Currently, TV Direct programs are broadcasted in almost every channel with the sales volume as planned. In the planning of using TV media, the sale plan is set along with the TV rating by Neilson (Thailand) Co., Ltd. This will make the Company has a good relationship and response from every TV channel in Thailand.

The important task of the Media Team is to evaluate the sales volume after broadcasting. The response must be checked. Comparison of sales and advertising budget must be presented in order to be used for media, program, and promotion adjustment, as well as to negotiate for the media fee in order to make the sale and profit reaches the Company's target. Hence, TV Direct is ranked as the top ads spending in October and November 2017.

TOP 10 BRANDS GROUP ESTIMATED ADSPEND

Exclude Section : Classified, CD/DVD (Musical & Film Products),
Government & Community Announce, Leisure, House ad.

Nov 17 VS Nov 16 000'BAHT

NO	BRANDS		Nov 2017	Nov 2016
1	TV DIRECT DIRECT SALES	↑	215,560	11,517
2	SAMSUNG MOBILE PHONE UNIT	↑	104,450	33,806
3	COKE SOFT DRINK	↑	81,686	2,681
4	TESCO-LOTUS SUPERCENTER	↑	75,808	35,740
5	ISUZU PICKUPS	↑	69,234	24,437
6	7 ELEVEN CONVENIENCE STORES	↑	65,412	16,537
7	MG SUV CAR	↑	62,832	4,090
8	OPPO MOBILE PHONE UNITS	↑	61,568	41,696
9	GOVERNMENT SAVINGS BANK	↑	55,884	36,895
10	PEPSI SOFT DRINK	↑	54,987	15,010

Call Center & Tele Marketing

The most important part of sales is Tele Sales. TV Direct is focusing on building the efficiency of every call center staff. Telesales staff must be trained to provide information, present the product, as well as to have an understanding of the product deeply and excellently in order to be able to pass the information, price, product detail, and promotion to the consumers who call to the call center so that they can understand and have impression that could lead to immediate buying decision with fast sell talk. The sales team leader in each department must make every Telesales staff know the product and the selling point of each item well. They must have experience in using the product and view the Home Shopping Program so that they have the right understanding of the product and able to provide the accurate information about the product well.

Work schedule of the sale persons in each period must be planned to support every phone calls from customers for 24 hours. There must be the leader to solve the problem for the team, create efficiency, and motivate the staff, increase the sales, and coordinate with different agencies in order to obtain good and complete work.

Sales team coordinates with the shipping team to deliver the product to customer fast and correctly with the variety of product. The delivery team has to work hard in order to support the order that comes every day. The delivery time for Bangkok is no longer than 3 days and for other provinces is no longer than 5 days.

Every sale persons will receive salary, income, commission, right and benefits as same as regular employees. There are also special sale targets to create sale volume for some particular product so that TV Direct's employees become active with challenge and fun in working. TV Direct is the organization with the highest number of sales of Tele Sales staff compared to the same type of business and the quality of Tele Sales of TV Direct is also considered a truly experienced and efficient sales force.

Data System

Databases and network connection are important part that must be completed, fast, and accurate. MIS must check, develop, and upgrade the database regularly to send the report to different teams and send customer information via all the channel with sufficient clarity and detail for the analysis and to create sales volume for other market. Due to an increase of data every month, management program and the efficiency of the report is important. The Company uses Cisco system as the network and data base system. This system is one of those well-known and liable in the world.

TV Direct has a lot of benefits from having a customer database, product information, sales information. For revenue generation, the network system links the, business data with every department including Sales, Marketing, Shipping, Accounting and Finance. They have confidence in the potential of the report which make the work of every department. Product flows and shipping to customer are completed, correct, and efficient. The report of the budgets in financial and accounting databases can be synchronized and managed so that the executives and team can analyze, plan and manage the situation on time and well every day.

2. Marketing and General Situation

Nowadays, it is recognized in the television industry that many digital channels have the symptom of not being able to survive. In addition, the economic situation this year is still in decline and is not in line with the goals of many businesses, so the money spent on television advertising is shrinking. Many TV channels take the advertisement in the form of Home Shopping program in order to create income for the channel. In 2017, TV audience saw the program and ads of TV Direct or Home Shopping program of other brand being broadcasted in the Free TV more. This year TVD (TV Direct plans to refine its marketing strategy by focusing on building brand awareness and credibility in order to accelerate the decision to buy through TV channels and other channels of the company. Therefore, the Company is the brand with the highest budget in the last quarter of 2017. This year, TV Direct is focusing on producing programs that present products in a way that creates awareness for consumers to choose genuine products and build credibility for the products and companies. In the past, the programs focused on product offering and their features. The launch of the new way of presentation began in August, 2017 onwards, giving viewers and consumers a broader appreciation of the product and its content which could drive sales of TV Direct in other sales channels. Hence, in November 2017, the Company won the award for its image creation. TV Direct Public Company Limited or TVD has been awarded the Thailand Sustainability Investment 2017 from the Stock Exchange of Thailand. The Company was selected to be one of the companies listed on the MAI in the service business as a sustainable business taking into account the environment, society and corporate governance. It is an alternative for those who want to invest in sustainable investment and to generate long-term returns.

Home Shopping programs through the TV make TV Direct becomes remembered and there are many customer interesting in buying products from TV direct continuously. The survey also found that the viewing and watching behavior remained the same. The obvious change is watching TV through different hardware, from a bulky TV to a stylish smartphone. However, most of the information shows that TV is the main media in Thailand with advertising revenue of not less than 50 billion Baht per year. The digital TV era may have affected the TV industry but the target group that generated sales to the company is still a group that has a habit of watching television. The use of TV advertising and public relations is a very broad and rapid recognition. It also allows consumers to know the product from the broadcast well, allowing other channels of the Company can continue to generate sales. In addition, building trust in the brand image of TV Direct and guaranteeing both the purchase and return of goods make TV Direct has a good relationship with its customers. The company emphasizes on keeping quality and standards in terms of products, services and working methods always and forever.

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 2017, 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 months at about 50,000 catalogues. These catalogues present the Company's 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 9 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 which has been in operation since January 2010, and since then the system including functions and features has been developed for modernity.

In December 2017, the Company launched Mobile Application in order to be corresponding to consumer's behavior in 4.0 era and enhance shopping experience and the customer can watch and shopping through live program 24 hrs. on smartphone.

The TV Direct website is growing steadily with constant expansion of its customer base by increasing its members up to 150,000 persons and in previous year, the number of visiting website was over 3 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 fan page: TV Direct" which has over 200,000 likes, and also in LINE, Live Chat. The number of membership tends to be growing constantly. Apart from follow up on the new promotions through these channels, these channels are relaized as important channels in Social Commerce era.

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, 11st.co.th, shopee.co.th and 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 classified 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, 2017, there are 78 “TV Direct Showcase” retail shops, situate in communities, leading department stores, and modern trades as per list below.

Province	Qty	Location
Bangkok	13	(1) Head office (2) Central Plaza -Rama 2 (3) 4026,4028,4030 Soi Jakawarn cinema, Asoke-Dindaeng, Dindaeng (4) 296 Panitchakarn Thonburi road, Watthaphra, Bangkokyai, Bangkok (5) The Mall -Bangkapi (6) The Mall -Ram Kham Haeng (7) Silom Complex Building –Silom Road (8) Seacon Square – Srinakarin (9) Fashion Island (10) Supreme Complex -Samsaen (11) Paradise Park (12) Seacon -BangKae (13) Pleamary Mall- Watcharapol
Nonthaburi	5	(1) 26/11 Pracharaj Road, Talard Quan, Muang District, Nonthaburi (2) Homeworks Shopping Mall, Ratchapruet (3) Central Plaza Ratanatibet (4) Central Plaza Changwattana (5) The Mall -Ngam Wong Wan
Pathumthani	2	(1)176,178, Rattanakosin 200 years Village, Rangsit - Pathumthani Road, Prachatiput, Thunyaburi District, Pathumthani 12130 (2) Future Park - Rangsit
Nakhonpathom	2	(1) 88 Rajwithee Rd., Prapathom Jaydee, Muang District, Nakhonpathom (2) Central Plaza Salaya
Samutprakan	3	(1) 2014/2 Moo 9, Tayparak Rd., Samrong Nua, Samutprakan (2) Mega Bangna (3) Imperial World – Samrong
Samutsakhon	1	1300/93, Ekkachai Rd., Mahachai, Muang District, Samutsakhon

Province	Qty	Location
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 (2) Robinson Department Store, Ratburi
Ayutthaya	2	(1)134/28, Moo. 3, Klong Suanplu, Phanakhon Sri Ayutthaya 13000 (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 (2) Tesco Lotus, Kanchanaburi branch
Nakhonsawan	1	152/4 Sawam Wethee Rd., Parknampoe, Muang District, Nakhonsawan
Chonburi	5	(1) 112/177 Moo. 1, Samed, Muang District, Chonburi (2) 70/23-24, Moo. 11, Nong Prue, Banglamung, Chonburi 20150 (3) Tesco Lotus Shopping Center, Ohmmata Nakorn branch (4) Pacific Park Shopping Center, Sriraja (5) Central Plaza Chonburi
Chanthaburi	1	30/255 Moo. 7, Chantanimit, Muang District, Chanthaburi
Rayong	2	(1) 65/19, Chanta Udom Rd., Ta Prodoe, Muang District, Rayong (2) Passion Department Store, Rayong
Chacengchao	1	Robinson Chacengchao
Prachinburi	1	592/34-35 Moo. 7, Tatoon, 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 (2) Central Airport Plaza, Chiangmai
Chiangrai	2	(1) 149/4 Tessabarn Bandoe, Phahon Yothin Rd., Muang District, Chiangrai (2) Central Plaza Shopping Center, Chiangrai
Phitsanulok	2	(1)298/14 Barom Trilokkanart 2 Rd., Naimuang, Muang District, Phitsanulok (2) Central Plaza Shopping Center, Phitsanulok
Phichit	1	TOP Plaza Phichit
Nakhonratchasima	3	(1) 223, 225 Mittrapab Rd., Naimuang, Mang District, Nakhonratchasima (2) The Mall Shopping Center, Korat (3) Terminal 21 – Korat
Khonkaen	2	(1)182/133 Srijun Rd., Muang District, Khonkaen (2) Central Plaza Shopping Center, Khonkaen
Roi-et	1	Ronbinson – Roi-et

Udonthani	2	(1) 26 room 1-2 Moo 7, Taham Rd., Mark Kaeng, Muang District, Udonthani (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 (2) Robinson - Buriram
Prachuapkirikhan	1	Huahin Market Village Shopping Center
Surat Thani	2	(1) 263/4-5 Chonkasem Rd., Talad, Muang District, Surat Thani (2) Tesco Lotus, Surat Thani
Nakhon Sri Thammarat	2	(1) 8/16 Pattana Kukwang Rd., Niamuang, Muang District, Nakhon Sri Thammarat (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 (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
Total	78	

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 (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.

2.3 Overall industry

Retailing and wholesaling business in 2017 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.

2.4 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 16 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 2015 - 2017

(Unit: million baht)

	2015	2016	2017
Amount of product returned	11.65	10.31	12.63

Dependence on Customer

In 2017, 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 2015 - 2017

Purchasing Order	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Products	375.10	40.00	260.91	27.51	435.74	51.86
Foreign Products	560.80	60.00	687.51	72.49	404.46	48.14
Total Purchasing Amount	935.91	100.00	948.42	100.00	840.20	100.00

The characteristics of the products sold by the company can be classified into the following categories.

1. House Brand is a trademark owned by the Company. Currently there are 3 trademarks owned by the Company.

- (A) Fatis, a dietary supplement.
- (B) Fatis, a wellness product
- (C) Nuvite, a beauty product

The Company will hire both domestic and foreign manufacturers to produce the above products for the Company.

2. Products that the Company has been appointed as a distributor. The Company has been appointed by the manufacturer or distributor to be a distributor in the area specified. Main products that the company has been appointed as a distributor are:

(A) Velform Hair Grow and Velform Hair Grow Plus: The Company has been appointed by the Spanish company called Industex, SL to be the Exclusive Distributor in Thailand through TV marketing, home shopping, mail order and print media and E-Commerce.

(B) Bawang Shampoo: The Company has been appointed by Hong Kong Bawang International Trading Limited to be the Exclusive Distributor in Thailand. The Company has an agreement with Hong Kong Bawang International Trading Limited not to sell Bawang Shampoo to customers outside Thailand who has the purpose of importing Bawang Shampoo to Thailand.

(C) Eagle Eyes Eyewear: The Company has been appointed by Sun Tiger Inc. dba Eagle Eyes Optics to be the exclusive distributor in Thailand, Vietnam, Cambodia and Laos.

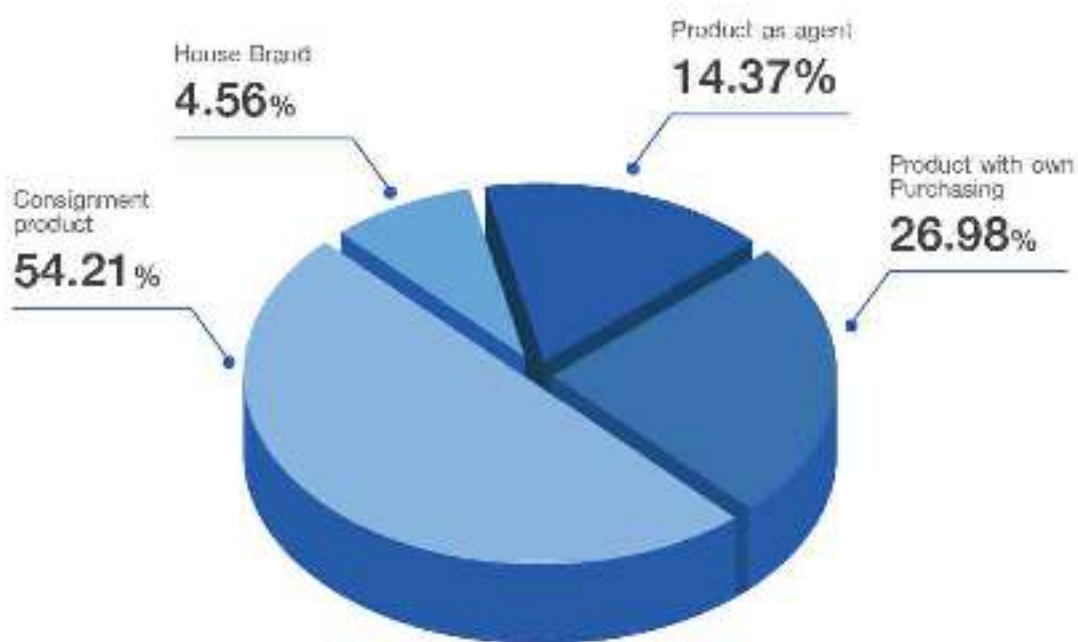
(D) Pest Reject products under the brand, Pest Free: The Company has been appointed by Pest Free Australia Pty Limited to be the Exclusive Distributor in Thailand.

(E) Genie Underwear: The Company has been appointed by Tristar Product Inc. to be the Exclusive Distributor in Thailand

(F) Motor Up Car Care Product: The Company has been appointed by MotorUP Europe to be the Exclusive Distributor in Thailand

3. Consignment is the product that the company receives from the owners of various products. The company will pay for the goods only when the company can sell products to customers. This product is a beauty product, kitchenware, home appliances or technology products. At present, products sold through home shopping and online are mostly consignment. This will reduce the risk of stock-taking costs to the company.

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



Dependence on distributor

In 2017, the Company was not dependent on big or individual distributor at proportion of more than 30% of total revenue.

Inventory Management

The company manages inventory by establishing supply chain management to monitor the movement of the products. The Company leased a warehouse buildings for storage of the Company's products. It is located at 345, Village No. 15, Bangkae School Alley, Lieb Khlong Song Name Suvanabhumi Road, Bang Sao Thong Sub-District, Bang Sao Thong District, Samutprakarn Province 10540 with total area of 9,124 square meters, where 6,422 square meters is a common warehouse and 1,045 square meters is air-conditioned warehouse and central area. The Company has entered into an agreement with Pioneer Logistics Co., Ltd. to lease a warehouse building from Pioneer Logistics Co., Ltd. and to let them manage the inventory. The current agreement term is 4 years, commencing from 1 February 2017 to 31 January 2021. Pioneer Logistics Co., Ltd. will provide an inventory receipt, inventory management, take inventory out of the warehouse based on the Company's order to be collected for delivery by the delivery company at the warehouse. The Company's truck will then deliver the goods to the distribution center according to the Company's order. In the performance of work, Pioneer Logistics Co., Ltd. Will coordinate with the Company. In addition, the Company sends the officers to be stationed at the warehouse. In addition, the Company has a sub-warehouse located at 110/3, Village No. 6, Tharang Sub-District, Bangkhen District, Bangkok.

Moreover, The Company also has two main distribution centers to distribute products to its retail stores and to its clients: (1) Din Daeng Distribution Center which is located at 4026,4028 and 4030 Rong Nang Chakawan Alley, Asoke-Din Daeng Road, Din Daeng Sub-District, Din Daeng District, Bangkok and (2) Tha Phra Distribution Center, which is located at 296, Phanichayakan Thonburi Road, Wat Tha Phra District, Bangkok Yai District, Bangkok. In addition to the two distribution centers, there are 34 TV Direct Showcase retailers which are acting as the joint-distribution center.



10 | 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 3.5 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 15 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 3.5 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. The 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.

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.

11

SHAREHOLDING STRUCTURE AND MANAGEMENT

Shareholding Structure and Management

Capital Structure

Company Securities – Registered and Paid Up

As at December 31, 2017, 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 as of December 31, 2017 can be summarized as below:

No.	Name	No. of Shares	%
1	TRI-STAGE INC ¹	97,690,000	15.02%
2	Mr. Songpol Shanmatkit	55,368,374	8.51%
3	USE Electronics Co., Ltd. ²	52,246,317	8.03%
4	Mr. Prayuth Ueawattana	32,300,000	4.97%
5	Mr. Ekkachai Satthabongkot	25,500,000	3.92%
6	FUJI MEDIA HOLDINGS, INC. ³	15,794,997	2.43%
7	ITOCHU CORPORATION ⁴	15,794,997	2.43%
8	Miss Issara Vitayathanakorn	11,780,430	1.81%
9	Mr. Boonchou Wirojwattanakun	11,235,389	1.73%
10	Thai NVDR Company Limited	10,858,747	1.67%

Remark ¹ 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 ² Shareholders of USE Electronics Co., Ltd.

USE ELECTRONICS CO., LTD.				
ROSTER OF SHAREHOLDERS				
No.	Name	Address	Number of shares	Stock (%)
1	TANG,FENG-RONG	5F, No. 14, Lane 77, Depuang Rd., Zhonghe City, Taipei County, Taiwan, R.O.C.	911,200	9.112,000
2	KATO JUNICHI	3F, No. 10, Yidong St., Zhongshan Dist., Taipei City, Taiwan, R.O.C.	3,104,000	30,940,000
3	KATO SAOTIKU	3F, No. 10, Yidong St., Zhongshan Dist., Taipei City, Taiwan, R.O.C.	401,000	4,010,000
4	SU,CHING-TSEN	5F, No. 11, Alley 18, Lane 193, Dunhua N. Rd., Songshan Dist., Taipei City, Taiwan, R.O.C.	546,100	5,461,000
5	CHOU, RONG-KUANG	No. 74, Lane 14, Sec. 7, Zhongshan N. Rd., Shilin Dist., Taipei City, Taiwan, R.O.C.	151,700	1,517,000
6	HSU,CHEN-MAO	6F, No. 25, Lane 80, Guangli N. Rd., Songshan Dist., Taipei City, Taiwan, R.O.C.	775,600	7,756,000
7	SU,BO-HAN	2F-1, No. 25, Lane 101, Sec. 2, Xinyang N. Rd., Zhongshan Dist., Taipei City, Taiwan, R.O.C.	246,800	2,468,000
	TOTAL		6,344,400	66,154,000

Remark ³Shareholders 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 ⁴Shareholders of ITOCHU CORPORATION

As of September 30, 2016

Name	Number of shares held (1,000 shares)	Share holding ratio (%)
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.

Corporate information

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.

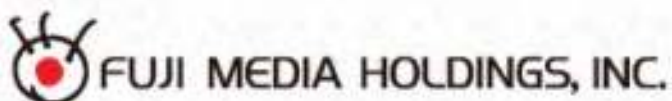
Corporate Information

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.
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 TEL +81-3-3570-8000 (Switchboard)
Representatives	: Hisashi Hieda, Chairman and Chief Executive Officer Shuji Kanoh, President and Chief Operating Officer
Number of Employees (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 TEL 03-3497-2121
Osaka Headquarters	: 1-3, Umeda 3-chome, Kita-ku, Osaka, 530-8448, Japan 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	: http://www.itochu.co.jp/



Committed to the Global Good



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

Other Securities

None.

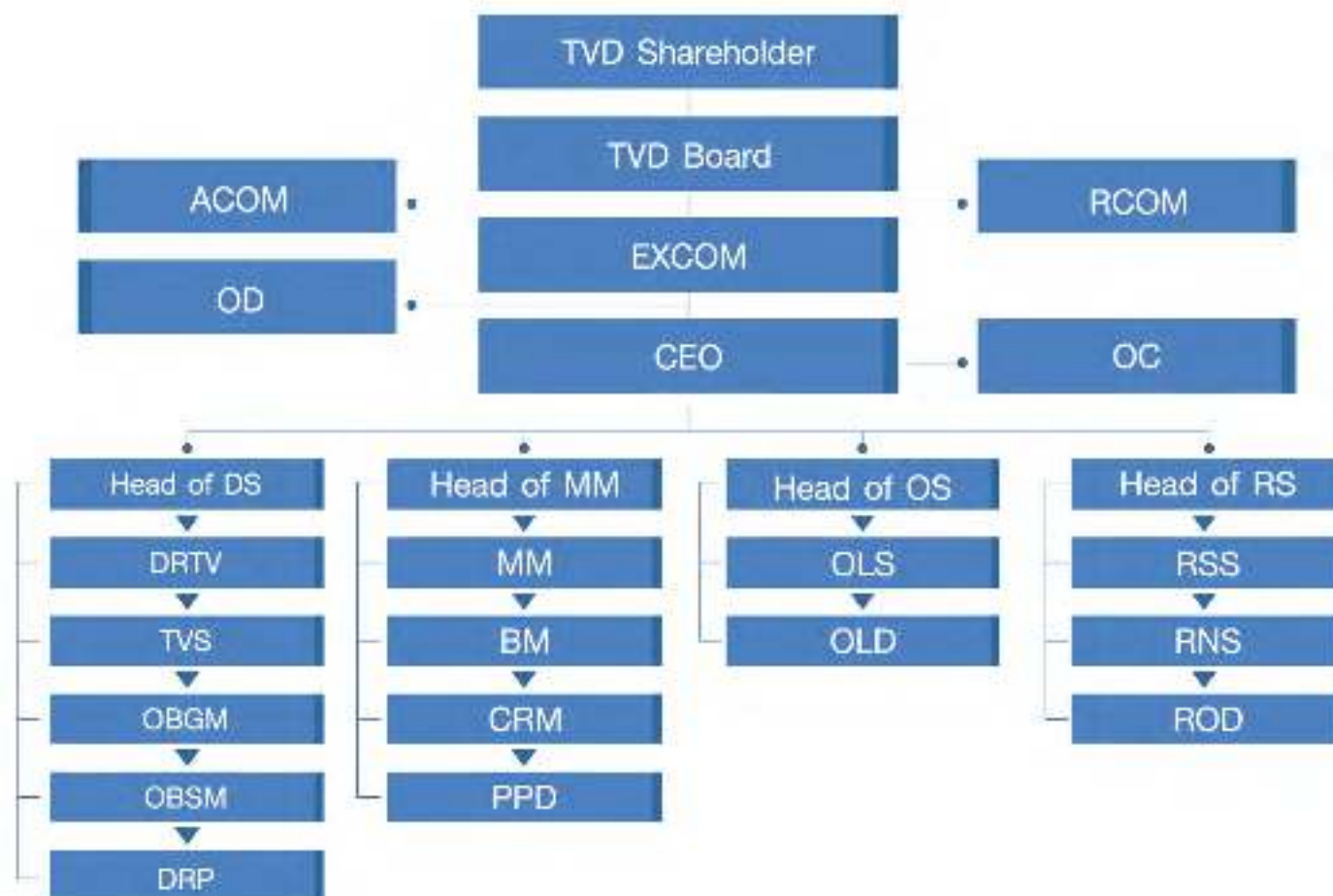
Dividend payment policy

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, 2017)



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, 2017, 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 Chalakomkul	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, 2017, 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 ¹	Audit Committee Member	2
3. Mr. Suthep Subsantiwong	Audit Committee Member	2

Remark : ¹ 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.2/2018 held on February 23, 2018, 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 and terminate the 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, 2017, the Company's Board of Directors consists of 6 knowledgeable persons as follows :

Name	Position
1. Dr. Pisut Chalakovkul	Chairman of the 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
6. Mr. Chalermpong Mahavanidvong	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, 2017, 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. Pisul Chalakunkul	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.8/2011 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.

Other Subcommittee

CG Committee

Presently, the Company has not yet appointed the CG Committee. Nevertheless, the Board of Directors did supervise the Company to comply with Good Corporate Governance Principles. In the past, the Company adheres to the principles of Good Corporate Governance as well as strictly compliance with the law, the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. As a result, the Company's Corporate Governance was evaluated by Thai Listed companies Association in Excellent level or CG 5 stars which is the highest level from Thai Institute of Directors (IOD).

Risk Management Committee

The Company has appointed a Risk Management Committee as a working group. There are representatives from various department of the Company as members. The objective is to promote the Company's mission complete under the change of business environment as well as to response to all stakeholders on equal basis and prevent the loss that may be occurred due to any uncertainty.

Executives

As at December 31, 2017, 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 Fixed Asset (Baht)	Purchasing of Inventory (Baht)	Product Development (Baht)	Advertising cost (Baht)
Executive Committee	<= 10,000,000	> 5,000,000	> 5,000,000	> 5,000,000
Chief Executive (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, Independent Director and Executive

The selection and nomination of directors, the Board focuses on the transparency of recruiting and selection of persons to function as directors. The Company has a policy to use the directors database to recruit new directors. In addition, the Company granted minor shareholders to propose names of qualified candidates to be nominated for selection as the Company's Board of Directors. The Company appointed the Nomination and Remuneration Committee to consider the qualification of the candidates or the retired/ resigned directors and propose their opinions to the Board of Directors.

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

Board Diversity Policy

The Board of Directors has set up the Board Diversity Policy for those who will serve as directors by considering their professional, specialization etc. as can be seen from Experience of each director as to have a variety of board structures.

Qualification of the Independent Director

Persons who will be the independent directors of the Company is a knowledgeable person and ready to work on their duties. At least one member of the Audit Committee must have financial knowledge. Importantly, the independent director must be a person who does not conflict with any requirements of the Stock Exchange of Thailand or regulations of the Company.

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

The Shareholders Meeting had approved the remunerations for the Company's Board of Directors, and other Committee as follows:

(1) Meeting Allowance

Board Name	Meeting allowance (Baht)		
	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 6 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 2017, the Company paid remunerations (exclude withholding tax) to the Board of Directors as follows:

Name	Number of Meeting / Total Meeting	Meeting Allowance in 2017	Bonus Fee paid from year 2016 Company performance ¹	Total Remuneration ² (Baht)
	2017	2017		
1. Mr. Songpol Shanmatkit	8/8	-	631,578.85	631,578.85
2. Mr. Thanabul Maturanont	8/8	80,000.00	421,052.63	501,052.63
3. Mr. Wirasack Wirojwattanakul	7/8	70,000.00	280,701.75	350,701.75
4. Dr. Pisut Chalaskornkul	8/8	80,000.00	631,578.85	711,578.85
5. Mr. Chalermpong Mahavanidwong	8/8	80,000.00	210,526.32	290,526.32
6. Mr. Tada Charukitpaisarn	8/8	160,000.00	421,052.63	581,052.63
7. Asst. Prof. Anucha Chintakanond	8/8	80,000.00	210,526.32	290,526.32
8. Mr. Suthep Subsantiwong	7/8	70,000.00	210,526.32	280,526.32
9. Mr. Yutaro Suzuki ³	8/8	-	-	-
Total		620,000.00	3,017,543.85	3,637,543.85

Remark : ¹ Bonus Fee paid from year 2016 Company performance, but paid to the director in year 2017, as the Company need to wait for the resolution of the Annual General Meeting of Shareholders Year 2017, approved the appropriation of year 2016 net profits and the dividend payment.

² Director Remuneration compose of Meeting Allowance and Bonus Fee.

³ Mr. Yutaro Suzuki has been appointed as the director on August 11, 2016 and denied to receive the Director Remuneration from the Company.

Remuneration for the Audit Committee

In 2017, the Company had paid remunerations (exclude withholding tax) to the Audit Committee as follows:

Name	Number of Meeting / Total Meeting	Total Remuneration (Baht)
	2017	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 2017, the Company had paid the remuneration (exclude withholding tax) to the Executive Committee as follows:

Name	Number of Meeting / Total Meeting	Total Remuneration (Baht)
	2017	2017
1. Dr. Pisut Chalakornkul	12/12	240,000.00
2. Mr. Songpol Shanmatkit	12/12	-
3. Mr. Thanabul Maturanont	11/12	110,000.00
4. Mr. Wichian Manapongpan	12/12	-
5. Mr. Wirasack Wirojwattanakul	12/12	120,000.00
6. Mr. Chalermpong Mahavanidvong	5/5	50,000.00
Total		520,000.00

Remark : ¹Mr. Chalermpong Mahavanidvong has been appointed as the Executive Committee Member on July 27, 2017.

Remuneration for the Nomination and Remuneration Committee

In 2017, the Company had paid the remunerations (exclude withholding tax) to the Nomination and Remuneration Committee as follows:

Name*	Number of Meeting / Total Meeting	Total Remuneration (Baht)
	2017	2017
1. Mr. Phongsuree Bunnag	4/4	80,000
2. Dr. Pisut Chalakornkul	4/4	40,000
3. Mr. Songpol Shanmatkit	3/4	-
TOTAL		120,000

Remuneration for the Executives

In 2017, the Company had paid the remunerations to the Executives as follows :

Remuneration for Executives	2017	
	Number of person	Million Baht
Salary and Bonus	4	13,452,054.20
Other remunerations such as transportation, telephone, contribution fund, Social security	4	2,630,000.00
Total	4	16,082,054.20

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 2017, the Company has contributed to the Provident Fund for 5 Executives of Baht 240,612.64.

- 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 2017, the Company had contributed to the social security fund for 5 Executives of Baht 31,500.

- 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 quarters 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.

Employee

Number of employees

As at December 31, 2017 the Company has 793 employees by separating into various departments as follows:

Department	Number of employee
1. Office of Directors (OD)	23
2. T.V. Marketing (DTV, TVS)	163
3. Outbound (OBGM, OBSM)	288
4. Direct Response Printing (DRP)	26
5. Online Shopping (OLS, OLD)	24
6. Retail Store Sale Division (RSS)	134
7. Consignment and Wholesale (RNS)	36
8. Retail Operations Department(ROD)	15
9. Merchandise Marketing (MM)	15
10. Brand Management (BM)	17
11. Planning and Purchasing (PPD)	16
12. Customer Relations(CRM)	36
TOTAL	793

Employee's Remuneration

Financial remuneration

In 2017, the Company had paid employees' remuneration (excluding Executives) at Baht 221,479,638.41 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 2017, the Company has contributed to the Provident Fund of Employees for Baht 1,534,404.77

- 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 2017, the Company had contributed to the social security fund for employees (excluding Executive) of Baht 5,997,477.00

- 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
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Qualification of Project member

- Join the Company before July 1, 2015
- Being employee Type 2 or 3
- Average evaluation grade for past 6 quarters 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.

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.

In 2017, the average hours of training per employee by employee level. Executive level 27.71 hours / person / year. Operational level 27.94 hours / person / year. Average 27.7 hours / person / year. Female 29.13 hours / year. Male 24.53 hours / year.

Labor dispute

-None-

12 | 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. The Company will set date, time and venue of shareholder's meeting by consideration on the convenience of shareholder. The venue will be located in Bangkok Metropolitan area or local area of head office with convenient transportation for shareholder to attend the meeting. Moreover, the Company will provide sufficient personnel and technology to facilitate each shareholder to verify shareholder's document and the Company will provide duty stamp for the convenience of shareholder who grants its right to their proxy or the proxy who attends the 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 by considering the long term growth in value with good and continuous returns of the Company as well as transparent and reliable disclosure. The Company also realizes business risk and constantly reviews risk protection and mitigation measures. |
| 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 2017, the Company received the outstanding rewards from the Ministry of Labour i.e. the "Outstanding Corporate Award in Labour Relations and Welfare" 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 26 th , 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 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.

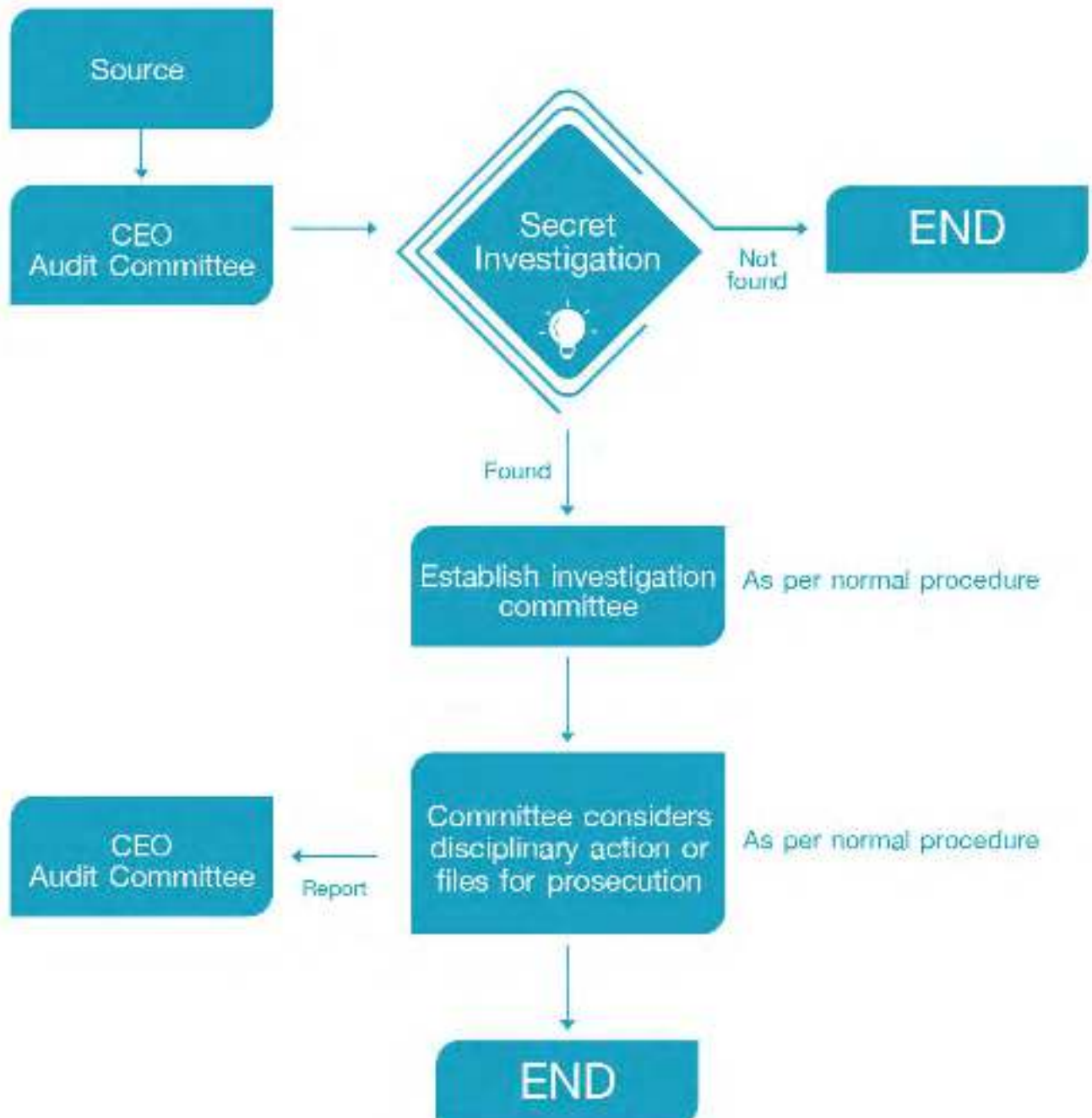


On November 21, 2017, TV Direct Public Company Limited received a Certificate of Collective Action Coalition Against Corruption (CAC) from the CAC Board in order No. 227 from 854 Participating companies.



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 or person assigned by the Chief Executive Officer to communicate with general people such as shareholders, investors, analysts, 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 2017, 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.

- The number of listed companies that each director will hold the position in such companies is 5 companies with out any exception
- The policy on the minimum quorum is defined that there shall be at least two third of the total directors while voting in the meeting of the Board of Directors.

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.

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 the 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.

5.5.1 New Director Orientation

The Company has set guidelines on the preparation of new directors. The new directors should meet and discuss with the entire board and the CEO. In order for new directors to be able to acknowledge the Company's expectations on the roles and responsibilities of the Company's directors as well as the Company's Business, Policy, Legal duty of directors, related laws and regulations, the Corporate Governance guidelines. And create knowledge. Understanding the business and the operation of the Company including visits the business units of the Company as to prepare for the duties of the Company's directors and help them to be familiar and able to perform their duties immediately.

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 Assessment on Performance

5.7.1 Assessment on Performance of Board of Directors

The Board of Directors assess performance of directors in group and individually every year based on the criteria and assessment process of the Stock Exchange of Thailand as follows:

Assessment Process of Board of Directors

The Board of Directors considers and approves assessment on performance of directors by considering on duties performing and responsibilities of directors throughout the previous year under the Principles of Corporate Governance.

Assessment Format on Performance of Directors

The Board of Directors establishes 2 assessment formats on performance of directors, i.e., (1) Assessment on performance of all directors; (2) Assessment on performance of each director. The topics of this assessment are consisted of the following sections:

Section 1 : Structure and Qualifications of Board of Directors

Section 2 : Roles, Duties, and Responsibilities of Board of Directors

Section 3 : Board of Directors' Meeting

Section 4 : Director's Duties Performing

Section 5 : Relationship with Management Department

5.7.2 Assessment of Sub-Committees

Sub-committees regularly assess performance of each sub-committee every year based on the criteria and assessment process of the Stock Exchange of Thailand.

5.7.3 Assessment on Performance of Chief Executive Officer

The Board of Directors regularly assesses performance of Chief Executive Officer every year based on the criteria and assessment process under business and management criteria.

Assessment Process on Performance of Chief Executive Officer

Nomination and Remuneration Committee firstly considers and assesses performance of Chief Executive Officer based on the criteria and assessment process under business and management criteria before presenting the result of such assessment to the Meeting of Board of Directors for assessing and approving performance of Chief Executive Officer.

Assessment Format on Performance of Chief Executive Officer

Nomination and Remuneration Committee and Board of Directors will consider and assess performance of Chief Executive Officer based on KPI (Key Performance Indicator) of Chief Executive Officer as defined and agreed. When the result of such assessment is approved by the meeting of the Board of Directors, Chairman of the Board will inform such result to Chief Executive Officer.

5.8 Roles and Duties of Chairman of the Board

Roles and duties of Chairman of the Board are in accordance with the company's rules as follows:

- Call for the meeting of the Board of Directors.
- Be the leader in the meeting of the Board of Directors by acting as the Chairman of the Meeting with appropriate decision.
- Provide some opportunities and support all directors to participate in the operations of the Board of Directors.
- Support directors to assess their performances to develop their operations continuously.
- Coordinate and promote the operations of directors and Chief Executive Officer appropriately and efficiently.
- Assign duties and responsibilities to sub-committees.

5.9 Succession Plan Preparation

The Board of Directors has already established the policy and guidelines for preparing Succession Plan (Chief Executive Officer) in order to prepare the policy and system for selecting personnel to be responsible for the position of Chief Executive Officer officially. Nomination process is based on considering both outsiders and internal personnel upon the situation (i.e., advanced planning or emergency case).

5.10 Sub-committees

The Board of Directors appoints the following sub-committees to support the company's corporate governance:

- Audit Committee
- Nomination and Remuneration Committee
- Board of Directors
- Risk management Committee

5.11 Nomination and Appointment of Directors, Independent Directors, and Top Executives

The Board of Directors appoints Nomination and Remuneration Committee to nominate and propose appointment of the company's top executives to the Board of Directors.

To select and nominate directors, the Board of Directors emphasizes on transparency of such nomination and selection in order to obtain the appropriate persons to hold the positions of the directors, whereas, the company has the policy to entitle the minority shareholders to propose the list of persons that are appropriate to become the directors.

To make the company's organizational management efficient and effective, nomination and selection of personnel shall be under consideration emphasizing on selecting persons with knowledge, abilities, expertise, and related experiences with complete qualifications as defined by laws. Nomination and Remuneration Committee and the Board of Directors must emphasize on diversity on Board Diversity in order to make the company's management efficient in various dimensions with professional abilities.

For the criteria and methods on selecting the company's directors, Nomination and Remuneration Committee will select and screen personnel with appropriate qualifications to become the company's directors and these persons are qualified persons with expertise in various fields. Consideration will focus on necessary skills that are lacked from existing directors without considering on genders. Such persons must have leadership, extensive vision, morality, ethics, and transparent profile without any illegal characteristics according to Public Company Limited Act and the Notification of the Securities and Exchange Commission. In addition, they must have ability in expressing their opinions freely under related criteria with knowledge, experience, and specialization that are beneficial and appropriate for the company's business. They must be able to present new perspectives and devote their times and effort to perform this duty in order to strengthen and develop the company. The process of nomination is as follows:

1) Nomination of Company's Directors

Appointment of the Board of Directors must be approved by the shareholder meeting except for the case of vacancy of any director position due to other causes. For such case, the Board of Directors shall consider and approve appropriate person to replace such director. However, such person shall be able to hold the position of the director under the remaining term of the former director.

Practically, nomination of the company's director may be conducted by Nomination and Remuneration Committee and/or nomination and approval performed by shareholders in the shareholder meeting. However, person who is selected to hold the position of the director, through whatever methods as mentioned above, shall be qualified person with knowledge, abilities and related experiences without any illegal characteristics according to Public Company Limited Act and the Notification of the Securities and Exchange Commission.

Procedures of Nomination and selection

When the names of the nominated persons are listed by Nomination and Remuneration Committee, Nomination and Remuneration Committee shall consider and screen those persons based on the following conditions:

- Consider on appropriateness of knowledge, experiences, and specialization of nominated persons that are beneficial for the company. Their experiences must be related to the main business or industry of the company in order to obtain the company's directors with complete elements as demanded. Accordingly, Board Skill Matrix should be make nomination of directors consistent with the company's business.
- Inspect the candidate whether he has qualifications as defined by laws and requirements of governing authorities, for example, Securities and Exchange Act B.E. 2535, etc.
- Consider on time devotion of nominated persons. If any nominated person is the former director, his/her former performance should be considered. In addition, it is also necessary to consider on the number of directors for holding the positions in the company in order to meet with the company's business condition and nature for maintaining operational efficiency.
- List the nominated persons that have already been considered and screened by Nomination and Remuneration Committee as well as consider on their qualifications and reasons of selection orderly for presenting to the Board of Directors.

2) Nomination of Independent Directors

The company always realizes on importance of independent directors who will inspect and supervise the operations of the Board of Directors to be transparent under appropriate internal control system, laws, and regulations of related agencies in order to improve efficiency of the company's operations therefore person will hold the position of independent director must be a qualified person with knowledge, abilities, and experiences. The company defines the criteria on nomination and selection of independent directors by assigning Nomination and Remuneration Committee to nominate the list of qualified persons and present to the Board of Directors for considering. After obtaining the appropriate persons, the list of those persons will be proposed to the shareholder meeting for considering and appointing based on the criteria as defined in the company's rules. The qualifications of independent director are as follow:

(1) Such person must hold the company's shares less than 0.5% of total shares with the right of vote of the company, subsidiaries, associated companies, or juristic persons that may have any conflict with the company. Such shares shall be included with those of related persons.

(2) Such person shall not be a director participating in managing any work**/employee/worker/consultant earning regular salary/person with authority to control the company, subsidiaries, and associated companies*** or other juristic persons that may have any conflict with the company at the present time or within 2 previous years before appointing.

(3) Such person shall have no blood relationship or any relationship with registration as mother, father, spouse, siblings, children, spouse of any child, with any executive, major shareholder, person with authority to control or any person that will be nominated as executive of controller of the company or any subsidiary.

(4) Business relationship can be divided into:

(a) Characteristics of Relationship

☐ Relationship on providing vocational services

- Characteristics of Relationship: auditor, other service providers, e.g., legal consultant, financial consultant, asset evaluator, etc.
- Significant Level that is considered as no independence
 - Auditor : Prohibited in all cases
 - Other service providers: Value of such business relationship is over than 2 million baht per year.

- ☐ Trading/Business Relationship (under the same guidelines with the Requirements on Connected Transactions of the Stock Exchange of Thailand).
- Characteristics of Relationship: Cover all types of business including normal transactions, real estate leasing/renting, transactions on assets/services, and transactions on financial sponsorship.
 - Significant Level that is considered as no independence: the value of transaction is ≥ 20 million baht or $\geq 3\%$ of NTA of the company, depending on whichever is lower. To consider on the value of the transaction, it shall be included with those occurred within 6 previous months prior making this transaction.
- (b) In the event of any relationship as defined in (a) with any juristic person that is considered as noindependence including major shareholder, director (except for independent director/audit committee) and executive or partner of such juristic person.
- (c) Prohibited duration of relationship as defined in (a) and (b) : Present time and 2 years prior appointment
- (d) Exception : In the event of any necessary and proper case that is not regularly and continuously occurred, independent director/audit committee may have relationship in significant level within his/her term but such relationship must be approved by the Board of Directors with the unanimous resolution. Moreover, the Board of Director must disclose such relationship of such director in Securities Offer Form (Filing Form), Annual Data Presentation Form (56-1 Form), and Annual Report (56-2 Form) of the company. In the event that the company intends to nominate such director for holding the position again, the Board of Director must disclose such relationship in the Letter of Invitation of the shareholder meeting with agenda on election of directors.
- (5) Such person shall not be a director that is appointed as the representative of any company's director, shareholder, or shareholder related to the company's shareholder.
- (6) Such person shall not have any characteristics hindering independent opinion giving.
- (7) Independent director with qualifications as defined in (1)-(6) may be assigned by the Board of Directors to make decision on business operation of the parent company, subsidiaries, and associated companies in the same level or any juristic person with conflict with the company in the form of collective decision.

3) Nomination of Top Executives

To nominate top executives, Nomination and Remuneration Committee will consider on the following criteria prior proposing to the Board of Directors:

- Such person shall have knowledge, abilities, and experiences in the company's business operation with skills, experiences, professionals, and specific qualifications in various fields that are highly necessary and beneficial for the company's business.
- Such person shall have some experience as leader with high level of leadership.
- Such person must be accepted from related business organizations.
- Such person shall have no conflict of interest with the company.

5.12 Policy on Number of Listed companies with the Position of Director

- In order to enable each director to devote his/her time in performing his/her duty as the company's director fully, the company defines the number of listed companies that each director will hold the position of the director in those companies not over than 5 companies without any exception.

5.13 Quorum and Voting

- In the meeting of the Board of Directors, it shall be consisted of directors not less than a half of all directors to obtain the quorum.

In the event that Chairman of the Board fails to attend the meeting or perform his/her duty, the Vice Chairman shall be the Chairman of Meeting. If there is no Vice Chairman or such Vice Chairman is unable to perform his/her duty, attending directors shall select any director as the Chairman of Meeting.

- All resolutions of the meeting of the Board of Directors shall be decided based on the majority of attending directors. One director shall have one vote except for any director with any benefit with such agenda. In the event that the votes are equal, the Chairman of Meeting shall vote to make the final decision of such voting.
- The minimum quorum for making the resolution in the meeting of the Board of Directors should not be less than two-third of total directors.

5.14 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.

5.15 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 2017 has been paid to Dharmniti Auditing Co., Ltd. :

- Audit Services : Baht 1,300,000
- Non Audit Services : None

13 | 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. 2/2018, on February 23, 2018, 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 Ungsuwittaya 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 Quantum Point Consulting Co., Ltd. Consulting and monitoring the adequacy of the internal control system
2004-2010	Manager - internal control system monitoring RPJM Coaching Co., Ltd. Consulting and monitoring the adequacy of the internal control system
2000-2003	Director - Finance and Operation Jafra International (Thailand) Ltd. Importer and Distributor of cosmetic products
1997-2000	Finance Director Indochina Healthcare Co., Ltd. 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.

14 | 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 as at December 31, 2017. 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 Direct / Indirect	Company Financial Statements in 2017 Value (Baht)	Policy on price
a) Revenues from selling of products and services and others for year ending December 31, 2017				
Revenue from sales of products	Subsidiaries		6,289,745	
	TVQ Shopping Co., Ltd.	95	6,634,131	Market price
	Last Mile Direct Co., Ltd.	99.99	513,885	Market price
	TVQ Broker Co., Ltd.	99.99	172,889	Market price
Revenue from rent	Subsidiaries		1,437,500	
	TVQ Broker Co., Ltd.	99.99	1,437,500	Market price
Revenue from services	Subsidiaries		66,385,696	
	TVQ Shopping Co., Ltd.	95	62,853,232	Market price
	Last Mile Direct Co., Ltd.	99.99	7,565,597	Market price
	TVQ Broker Co., Ltd.	99.99	8,139,869	Market price
Revenue from dividend	Subsidiaries		32,317,494	
	TVQ Shopping Co., Ltd.	95	28,317,499	
	TVQ Services Co., Ltd.	99.99	9,888,895	
Revenue from				

Interest received				
	Subsidiaries		675,589	
	Last Mile Direct Co., Ltd.	88.89	144,822	Market price
	3-RD Co., Ltd.	Until December 4, 2017	631,589	Market price
b) Purchasing of products and services and others for the year ending December 31, 2017				
Cost of goods				
	Subsidiaries		12,822,381	
	TVD Shopping Co., Ltd.	95	14,349	Market price
	Last Mile Direct Co., Ltd.	88.89	12,187,532	Market price
Cost of services				
	Subsidiaries		1,283,324	
	TVD Broker Co., Ltd.	88.89	1,283,324	Market price
Buying media time for TV broadcasting				
	Subsidiaries		63,293,799	
	TVD Services Co., Ltd.	88.89	63,293,799	Market price
Cost of delivery				
	Subsidiaries		116,125,482	
	Last Mile Direct Co., Ltd.	88.89	116,125,482	Market price
Rental and warehouse management cost				
	Subsidiaries		26,583,289	
	Last Mile Direct Co., Ltd.	88.89	23,585,919	Market price
Cost of marketing services				
	Subsidiaries		463,349	
	TVD Broker Co., Ltd.	88.89	463,349	Market price
Management				

cost				
	Subsidiaries		51,997,299	
	TVD Services Co., Ltd.	88.89	59,981,752	Market price
	Last Mile Direct Co., Ltd.	88.89	14,885,457	Market price
Other expenses				
	Subsidiaries		1,988,848	
	TVD Shopping Co., Ltd.	95	478,859	Market price
	Last Mile Direct Co., Ltd.	88.89	241,888	Market price
	TVD Services Co., Ltd.	88.89	338,099	Market price
Interest paid				
	Subsidiaries		165,343	
	TVD Services Co., Ltd.	88.89	165,343	Market price
c) Outstanding balances from purchase / sales of products and services and others as of December 31, 2017				
Account receivables				
	Subsidiaries		9,799,874	
	TVD Shopping Co., Ltd.	95	597,398	Market price
	Last Mile Direct Co., Ltd.	88.89	4,971,739	Market price
	TVD Broker Co., Ltd.	88.89	1,530,737	Market price
Other receivables				
	Subsidiaries		88,755	
	Last Mile Direct Co., Ltd.	88.89	88,755	Market price
Accrued income				
	Subsidiaries		382,889	
	TVD Broker Co., Ltd.	88.89	382,889	Market price
Accrued interest receivables				
	Subsidiaries		12,239	
	Last Mile Direct Co., Ltd.	88.89	12,239	Market price
	Associated company			
	G-RD Co., Ltd.	25	97,575	Market price
Advances				
	Subsidiaries		2,849,589	
	Magik Privat Co., Ltd.	99	155,719	Market price
	Last Mile Direct Co., Ltd.	88.89	2,762,859	Market price

เจ้าหนี้การค้า	Subsidiaries		5,347,868	
	TVD Shopping Co., Ltd.	65	113,843	Market price
	Last Mile Direct Co., Ltd.	88.88	3,331,488	Market price
	TVD Services Co., Ltd.	88.88	2,975,554	Market price
Other account payables	Subsidiaries		3,811,870	
	Last Mile Direct Co., Ltd.	88.88	137,746	Market price
	TVD Services Co., Ltd.	88.88	2,593,858	Market price
	TVD Broker Co., Ltd.	88.88	1,133,266	Market price
	Maple Pivat Co., Ltd.	99	33,000	Market price
Accrued interest payable	Subsidiaries		33,219	
	TVD Services Co., Ltd.	88.88	33,219	Market price

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.

15

**MANAGEMENT DISCUSSION
AND ANALYSIS**

Management Discussion and Analysis on Financial Position and Operating Results

Overall Performance

TV Direct Public Company Limited (“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 (DRTV) 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 and 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 2017, the Company and its subsidiaries had revenue from sales and services at Baht 3,310 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 invested in Last Mile Direct Co., Ltd. (Former name is JML Direct (Thailand) Co., Ltd.) at 99.99%.

As of May 1, 2017, the Company invested in T-RD Co., Ltd. in proportional ratio of 50% and investment ratio was decreased by 25% in December 2017.

As of December 15, 2017, Magik Pivot Co., Ltd. was established to engage in the business of providing Data Center service with Soft debut co.,Ltd. in proportional ratio of 60%.

(a) Revenue

The Company and its subsidiaries had total revenues of Baht 3,435.29 million in 2016 and Baht 3,329.11 million in 2017, 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 2016 - 2017, revenues from sales and services through the multichannel marketing of the Company and its subsidiaries can be summarized as follows:

Revenues from sales and services as per marketing channel	2016			2017		
	Million Baht	(%)	Growth Rate (%)	Million Baht	(%)	Growth Rate (%)
Television Marketing	1,770.77	52.01	10.12	1,895.21	60.26	12.87
Direct Marketing						
- Outbound Call Center	398.01	11.61	0.05	319.38	10.51	(12.10)
- Direct Response Pricing	138.27	4.06	22.07	82.12	2.72	(53.56)
- Websites	117.14	3.44	65.57	129.98	3.93	10.95
- Service Call Center	59.47	1.75	36.75	53.52	1.62	(10.02)
- Direct Sale	0.00	0.00	(100.00)	0.00	0.00	0.00
Total Direct Marketing	710.90	20.89	12.54	823.89	18.84	(12.27)
Conventional Marketing						
- Retailing	404.68	11.88	10.32	248.20	7.50	(38.67)
- Wholesaling	70.93	2.00	(30.34)	35.07	1.06	(50.53)
Total Conventional Marketing	475.67	13.88	1.46	283.28	8.56	(40.43)
Services*	432.89	12.72	1.86	392.85	11.87	(9.25)
Others**	12.84	0.38	(19.74)	15.74	0.48	22.81
Total Revenue from sales and services	3,402.99	100.00	11.82	3,310.77	100.00	(2.71)

* Services mean as we contract for producing/sales/being media and sales/being ad-time for customers for other marketing activities.

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

In 2017, the Company and its subsidiaries generated revenues from sales and services at Baht 3,310.77 million, showing a decreased amount comparing to Baht 3,402.98 million in 2016 or at rate of 2.71%. Revenues from sales and services through the 3 main distribution channels consisting of; the television marketing owing to the slowdown of the purchasing power for the first 9 months of the year after the end of previous year and the purchasing power is increasing in the last quarter.

Other Revenues

In 2017, the Company and its subsidiaries had other revenue of Baht 18.35 million, interest received of Baht 5.40 million and profit from loss of its subsidiaries control of Baht 2.06 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 2016 - 2017, the Company and subsidiaries had total expenses amounted to Baht 3,384.28 million and Baht 3,388.70 million respectively with the following details:

Cost of Sales and Services and Gross Margin

During 2016 - 2017, the Company and subsidiaries had cost of sales and services amounted to Baht 1,785.44 million, and Baht 1,898.35 million in which ratio of cost of sales and services against revenue from sales and services was at 52.47 % and 57.33 % respectively, or at the gross profit ratio of 47.53% and 42.67 %

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. 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 4.86%. Hence, the Company and subsidiaries were able to control the gross profit ratio from product sales and services 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 to have duties to closely monitor and provide the weekly products movement report by cooperating with all units related to inventories 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 for processing of customer's product demand. 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 sale management 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 1,586.36 million in 2016, and amounted to Baht 1,479.02 million in 2017 which was at the ratio of total revenue at 46.62% and 44.67 % 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 2017, the Company and subsidiaries' selling and administrative expenses ratio decreased 1.95%, 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 including management cost.

Financing Cost

In 2016 – 2017, the Company and subsidiaries had financing cost of Baht 11.72 million and Baht 11.33 million respectively. Most of the interest paid of the Company and subsidiaries were from using the financial limit on LC/TR which were the revolving credit facility types for foreign purchasing of finished products, interest expenses on long-term loans from commercial banks 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 2016 and 2017 the Company and subsidiaries had net profit (loss) amounted to Baht 14.36 million and Baht (65.86) million respectively. The decreased net profit was due to cost and economic condition, decreasing purchasing power during the first 3 quarters including high competition so that the the more cost of sale was required to maintain sales as targeted.

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

In 2017, the Company had important accounting transaction and realized as the accounting items in the consolidated financial statements which was receiving dividend from its subsidiaries amounted to Baht 32.3 million.

Return on Equity

The Company's return on equity was at 5.82% in 2016, and (8.88%) in 2017 as in 2016 the Company paid dividend to shareholders was at the dividend rates (calculated from the company financial statement) at 92.22, and in 2017 the company had no dividend payment.

Financial Position

(a) Assets

At the end of 2016 - 2017, the Company and subsidiaries had total assets of amount Baht 1681.36 million and Baht 1,532.11 million respectively, and important assets of the Company and subsidiaries were inventory, land, buildings, and equipment, account receivables and other receivables, cash and cash equivalent. In 2017, ratio of the important assets and total assets was at 29.70%, 22.00 %, 9.65%and 7.99 %, and for 2015 the ratio of the important assets and total assets was at 21.32%, 27.09%, 11.03% and 13.96% respectively. Then, details of important assets of the Company were as follows:

Account Receivables

The Company and subsidiaries had net account receivables amounted to Baht 141.79 million at the end of 2016, and amounted to Baht 168.99 million at the end of 2017, 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 wholesale for a type of customers such as distributors, 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, 2016		At Dec. 31, 2017	
	Million Baht	%	Million Baht	%
Not overdue	71.48	54.52	67.84	38.20
Overdue :			-	-
1-30 days	18.92	15.19	20.61	11.72
31-60 days	3.2	2.44	6.13	3.45
61-90 days	1.32	1.01	3.75	2.11
91-180 days	2.53	1.93	5.19	2.92
181-365 days	4.05	3.09	16.47	9.28
More than 365 days	28.61	21.82	57.38	32.32
Account receivables before allowance for doubtful accounts	131.11	100.00	177.56	100.00
Less: Allowance for doubtful accounts	(28.39)		(38.93)	
Less Allowance for revaluation				
Net Account Receivables	102.72		138.63	

Account receivables in 2017 increased from figure in 2016. 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 2016 - 2017 had the proportional ratio of 54.52% and 38.20% against the account receivables respectively.

On policy of the 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 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 wholesale, 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 case by case basis.

At the end of 2016 - 2017, the Company had set the allowance for doubtful accounts at Baht 28.38 million and at Baht 38.93 million respectively. This could be seen that the Company had set the allowance for doubtful accounts at similar value to the overdue accounts over 180 days because the Company did not set the allowance for doubtful accounts of more than 180 days due to account receivables from wholesale and from some services.

Inventory

At the end of 2016 - 2017, the Company and subsidiaries had inventory before allowance for obsolete products and allowance for inventory value amounted to Baht 481.04 million and Baht 326.78 million respectively as most of the remaining inventory was finished products and product during transportation which had proportional ratio against the total inventory at 91.58 % and 97.90% respectively with the following details.

	At Dec. 31, 2016		At Dec. 31, 2017	
	Million Baht	%	Million Baht	%
Finished Products	452.15	91.58	331.35	97.90
Products during Transportation	37.3	7.55	2.97	0.86
Consumable materials	4.27	0.86	4.14	1.22
Total	493.72	100.00	338.46	100.00
Less: Allowance for obsolete and slow moving - finished products	(12.39)		(11.45)	
Less: Allowance products with cost higher than net received - finished products	(0.29)		(0.23)	
Inventory - net	481.04		326.78	

Most of the remaining inventories 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, 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 2016 - 2017, the Company had made allowance for inventory value amounted to Baht 12.39 million and Baht 11.45 million, while ratio of the inventory value against total inventory was at 2.57 % and 3.45 % 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 increased 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 2016 - 2017, the Company and subsidiaries had net other current assets amounted to Baht 27.15 million and Baht 17.84 million respectively with the following details.

	At Dec. 31, 2016		At Dec. 31, 2017	
	Million Baht	%	Million Baht	%
Other Receivables	21.51	49.83	20.52	60.68
Prepaid Sales Tax	2.6	6.00	-	-
Input Tax - not due	2.26	5.21	-	-
Prepaid Expenses	7.6	17.51	7.71	22.89
Advances	4.44	10.24	0.67	1.99
Receivables from exchanged of products and services	4.93	11.38	4.86	14.43
Total	43.34	100.00	33.82	100.00
Less: Allowance for doubtful debts	(16.19)		(15.98)	
Other Current Assets - Net	27.15		17.84	

Land, Building and Equipment

The Company and subsidiaries had lands, buildings and equipment at net amount of Baht 442.81 million and Baht 415.17 million at the end of 2016 - 2017 respectively which had ratio against total assets at 26.29% and 27.09 % respectively.

(b) Liquidity

Cash Flow

In 2016, the Company and subsidiaries had net cash flow for operating activities of Baht 22.45 million which was mainly due to quick account payable payment to increase bargaining power and reserve for refund of insurance premium due to insurance broker business.

In 2017, the Company and subsidiaries had net cash flow from the operating activities at Baht 180.82 million which was mainly from more payment collection and product purchasing with longer credit term. 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 office building of its subsidiaries at Baht 25 million
- 2) Investment in the information technology system to serve growing business at Baht 11 million
- 3) Temporary investment in the domestic investment fund to generate return.

Liquidity Ratio

At the end of 2016 - 2017, the Company and subsidiaries had liquidity ratio of 1.21 times and 1.14 times respectively, and quick liquidity ratio was equal to 0.63 times and 0.71 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 47.46 % and 37.62% respectively. The Company did not encounter with liquidity and current liabilities settlement problem.

Consideration on the cash cycle showed decreasing trend, as the Company and subsidiaries had cash cycle at 36 days in 2016, and 29 days in 2017. Decreasing duration of cash cycle was from the following:

- (1) The average debt collection equaled to 16 days in 2016 and equaled to 17 days in 2017.
- (2) The average sale duration in 2016 was 85 days, and equaled to 75 days in 2017 respectively.

	2016	2017
Liquidity ratio (time)	1.21	1.14
Quick Liquidity Ratio (time)	0.63	0.71
Average Collection Period (day)	16.46	17.02
Average Product Sale Duration (day)	85.80	75.32
Average Debt Payment Period (day)	65.68	62.80
Cash Cycle (day)	36.58	29.54

(C) Sources of Funds

Liabilities

At the end of 2016 - 2017, the Company and subsidiaries total liabilities amounted to Baht 865.39 million and 807.14 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. Important current liabilities consisted of short-term loans from financial institutions at 45.71 % of total liabilities at the end of 2016, and at 32.12 % of total liabilities at the end of 2017 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 47.85 % of total liabilities at the end of 2016, and at 56.66% of total liabilities at the end of 2017.

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, 2016, and at December 31, 2017 the Company had DSCR ratio and debt to equity ratio as follows :

	DSCR*		Debt to Equity Ratio**	
	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017
Financial Statement of the Company	3.41 time	0.58 time	0.81 time	0.71 time
Consolidated Financial Statement	3.79 time	0.94 time	1.32 time	1.36 time
Term of Loan	Less than 1.5 time	Less than 1.5 time	Not over 2 time	Not over 2 time

Remarks:

- 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 2017, the Company and subsidiaries showed the shareholders' equity at Baht 593.78 million, a decrease amount of Baht 63.80 million from 2016.

Adequacy of the Capital structure

As at the end of the year 2016 and 2017, the Company and subsidiaries had debt to equity ratio at 1.32 times and 1.36 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% 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 100% of customer would receive same day service.

From all receiving notifications, 1.98% of customers was not satisfy and wanted to return goods, or at 0.31 % of total ordering customers, or from all customers who ordered products and services 99.69% were satisfied with our services.

16 | 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 2017 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 2017, 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 2017 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 2018.

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 2018 which will be submitted for resolution in the next shareholders meeting.

In 2017, 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
	2017
1. Mr. Tada Charukitboisarn	8/8
2. Asst. Prof. Anucha Chintakanond	8/8
3. Mr. Suthed 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



17 | FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

**To The Shareholders and Board of Directors of
TV Direct Public Company Limited**

Opinion

I have audited the consolidated financial statements of TV Direct Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have audited the separate financial statements of TV Direct Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of TV Direct Public Company Limited and its subsidiaries as at December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of TV Direct Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of my report. I am independent of the Company in accordance with the Federation of Accounting Professions 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.

Other Matter

The consolidated financial statements and the separate financial statements for the year ended December 31, 2016 of TV Direct Public Company Limited, which are presented for comparative purpose, were audited by another auditor, who expressed an unqualified opinion in the report dated February 23, 2017.

Key Audit Matters

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

Revenue from sales of goods and services

The Company operates its business from sales of goods and services through its diversified marketing channels. The Company's main income is from sales of goods and the income will be recognized when the ownership is delivered in the goods or the risk is transferred to the customers. The income is a significant measure of the Company's ability to operate. It will have an impact on the Company's profit due to the increase or decrease in income as the income is the main business transaction of the Company and has the amount that is significant to the Company.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on revenue account data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Valuation of investments in subsidiaries

Refer to note 2.4 (Accounting policies) and note 15 (Investments in subsidiaries)

Investments in 2 subsidiaries in the separate financial statements, Last Mile Direct Co., Ltd. and TVD Broker Co., Ltd., which generated loss and also had accumulated loss as at December 31, 2017, the management considered the allowance for impairment to be unnecessary to record the allowance for impairment because the operations of such subsidiaries were temporary losses.

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. I evaluated the management's assessment of the valuation of investments in subsidiaries by understanding and inquiring management's business plan and estimation of future operating cash flows, as follows:

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 2018 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 2018 and expects to receive the profits from the operation.

I compared future business plan with the past information, economic condition and trend of business in the same industry.

From our procedures, I found that the management's assessment for allowance for impairment in investment in subsidiaries in the separate financial statements is appropriate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 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 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 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 those charged with governance in order for those charged with governance to correct the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 financial statements 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements 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 communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that I have identified during my audit.

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr.Peradate Pongsathiansak.



(Mr. Peradate Pongsathiansak)
Certified Public Accountant
Registration No. 4752

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 23, 2018

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

		ASSETS			
		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
Current assets					
Cash and cash equivalents	7	215,945,569	164,858,584	117,251,818	82,517,630
Available-for-sale investments	8	140,503,525	96,099,221	-	-
Held-to-maturity investments	9	-	142,204,042	-	-
Trade and other accounts receivable	10	168,990,500	161,589,845	107,835,026	95,085,530
Short-term loan to a subsidiary	37 d)	-	-	1,800,000	4,500,000
Short-term loan to associate	37 a)	14,500,000	-	14,500,000	-
Inventories	11	326,770,364	481,045,115	322,275,484	464,605,700
Deposits for goods purchases		3,405,751	10,599,129	3,405,751	10,599,129
Value added tax	12	-	6,742,286	-	4,096,794
Other current assets		91,069	121,952	91,069	121,953
Total current assets		868,216,778	1,012,490,207	569,954,143	663,826,796
Non-current assets					
Restricted deposits at financial institutions	13	41,080,000	64,081,000	40,530,000	63,530,000
Income tax refundable		33,806,553	25,417,017	3,028,551	10,654,551
Investment in associate	14	10,000,000	-	10,000,000	-
Investments in subsidiaries	15	-	-	361,075,778	385,639,220
Investment properties	16	-	-	5,143,285	7,218,949
Property, plant and equipment	17	415,176,636	442,817,039	236,409,770	266,090,492
Intangible assets	18	62,178,080	69,553,225	35,216,268	38,253,175
Deferred tax assets	19	58,355,175	47,651,095	30,879,719	19,111,109
Other non-current assets	20	10,295,102	38,208,011	34,287,655	37,971,659
Total non-current assets		663,802,548	667,867,387	739,472,296	803,983,155
Total assets		1,532,119,326	1,680,357,594	1,309,426,439	1,467,810,871

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
Current liabilities					
Bank overdrafts and short-term loan from financial institutions	21	359,265,607	381,351,303	359,265,607	381,351,303
Trade and other accounts payable	22	452,563,075	401,931,756	333,496,768	252,358,275
Short-term loan from subsidiary	23.2	-	-	13,000,000	-
Current portions of:					
- Long-term loan from financial institutions	23	11,988,287	25,431,177	11,988,287	25,431,177
- Liabilities under financial lease and hire-purchase agreement	24	280,567	3,511,551	-	1,228,149
Provision for payment to insurance companies		15,855,417	5,557,499	-	-
Accrued interest tax		-	1,330,956	-	-
Value-added tax	12	11,651,338	1,832,166	1,195,693	-
Other current liabilities	25	6,084,849	9,369,661	4,000,909	5,409,280
Total current liabilities		762,405,440	840,951,971	528,931,134	669,142,223
Non-current liabilities					
Long-term loan from financial institutions	23	24,332,469	3,963,315	24,332,469	3,963,315
Liabilities under financial lease and hire-purchase agreement	24	122,771	-	-	-
Employee benefit obligations	26	12,995,418	13,466,329	11,173,802	13,114,634
Other non-current liabilities		5,171,524	5,758,167	10,000	2,778,167
Total non-current liabilities		42,622,182	23,187,811	35,506,271	29,856,116
Total liabilities		802,143,622	865,138,881	564,437,405	698,998,339

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT DECEMBER 31, 2017

		4611			
		Unconsolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' Equity					
Share capital	28				
Authorized share capital					
582,500,000 ordinary shares of Baht 0.50 each		341,250,035	341,250,035	341,250,035	341,250,035
Issued and fully paid-up share capital					
525,293,350 ordinary shares of Baht 0.50 each		325,146,675	325,146,675	325,146,675	325,146,675
Share premium account on issue of share		472,995,715	472,995,715	472,995,715	472,995,715
Retained earnings (deficit)					
Appropriated - legal reserve	36,801	3,802,569	3,802,569	3,802,569	3,802,569
Unappropriated	46	(206,376,601)	(142,373,888)	(33,832,268)	26,890
Other components of equity					
Gain on land revaluation, net		16,839,683	16,839,683	16,839,683	16,839,683
Gain on measurement of					
available-for-sale investments, net		300,201	151,167	-	-
Surplus on change in investment proportion in subsidiaries, net	15	973,802	978,802	-	-
Total attributable to the parent company's shareholders		595,787,044	657,379,722	764,983,434	798,831,532
Non-controlling interests		151,150,650	158,386,982	-	-
Total shareholders' equity		724,965,674	815,966,713	764,983,434	798,831,532
Total liabilities and shareholders' equity		1,552,170,326	1,681,365,594	1,329,437,839	1,467,909,871

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	Rmb			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues from sales and services		3,310,789,492	3,402,978,910	2,126,455,151	2,289,261,523
Cost of goods sold and services		(1,358,345,906)	(1,753,441,430)	(1,185,669,617)	(1,100,638,653)
Gross profit		1,952,443,586	1,649,537,480	940,785,534	1,188,622,870
Other income	32	16,285,890	22,305,884	191,235,518	140,902,858
Profit from operations		1,478,729,476	1,649,843,364	1,147,061,105	1,329,525,728
Selling expenses		(1,124,383,700)	(1,282,195,153)	(874,256,251)	(1,026,999,759)
Administrative expenses		(154,142,395)	(361,368,549)	(200,600,352)	(212,629,678)
Other expenses		(363,901)	(1,434)	(343,801)	-
Profit from losing control in subsidiaries	15	2,059,317	-	-	-
Other gain (loss)		(3,871,105)	(575,543)	(2,563,685)	(254,717)
Finance costs	34	(11,330,764)	(11,719,564)	(10,645,614)	(11,388,471)
Profit (loss) before income tax		(68,820,662)	50,985,518	(47,568,651)	47,973,053
Income tax income (expense)	35	8,211,105	111,870,949	121,607,795	1,266,597
Profit (loss) for the period		(55,379,557)	29,116,368	(35,407,856)	49,238,650
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- gain (loss) on defined employee benefit plans - net of tax	26	1,855,161	-	1,568,735	-
Items that will be reclassified subsequently to profit or loss					
- profit (loss) on measurement of available-for-sale investments		387,323	(577,192)	-	-
- changes in deferred tax liabilities less on measurement of available-for-sale investments		(77,468)	114,838	-	-
Total other comprehensive income - net of tax		1,155,016	(462,354)	1,568,735	-
Total comprehensive income (loss) for the year		(53,414,541)	28,654,014	(33,839,121)	49,238,650
Profit (loss) attributable to:					
Shareholders of the parent company		(65,856,370)	14,358,886	(35,407,856)	49,238,650
Non-controlling interests		12,441,829	24,295,902	-	-
		(53,414,541)	28,654,014	(35,407,856)	49,238,650
Total other comprehensive income (loss) attributable to:					
Shareholders of the parent company		(65,792,678)	14,068,516	(33,839,121)	49,238,650
Non-controlling interests		12,378,140	24,586,518	-	-
		(53,414,541)	28,654,014	(33,839,121)	49,238,650
Earnings (loss) per share for profit attributable to the shareholders of the parent company	36				
Basic earnings (loss) per share (Basic)		(0.10137)	0.02200	(0.03443)	0.07589

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Bolt										
Consolidated financial statements										
Attributable to owners of the parent company										
Other components of equity										
Note	Authorised, issued and fully paid-up share capital	Share premium	Deficits		Other comprehensive income			Total shareholders' equity of the parent company	Non- controlling interests	Total
			Appropriated – legal reserve	Unappropriated	Surplus from land revaluation (net)	Gain on measurement of available-for-sale investments (net)	Surplus on change in investment proportion in subsidiaries			
Beginning balance as at January 1, 2016	324,994,222	465,865,524	24,390,707	(174,496,856)	46,839,683	481,537	-	687,274,817	176,109,277	863,384,094
Changes in shareholder's equity for the year 2016										
Change in investment proportion in subsidiaries	-	-	-	-	-	-	978,802	978,802	(3,758,802)	(2,780,000)
Warrants exercised	27	152,453	804,328	-	-	-	-	756,779	-	756,779
Deduction of deficits	28	-	(42,674,135)	(24,390,707)	67,064,842	-	-	-	-	-
Dividends payment	29	-	-	-	(45,499,191)	-	-	(45,499,191)	(38,570,000)	(84,069,191)
Legal reserve	30	-	-	3,802,569	(3,802,569)	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	14,358,886	-	(290,370)	-	14,068,516	24,586,518	38,655,034
Closing balance as at December 31, 2016	325,146,675	422,995,719	3,802,569	(142,374,888)	46,839,683	191,167	978,802	657,579,723	158,586,989	815,966,712
Changes in shareholder's equity for the year 2017										
Non-controlling interests increase (decrease) from	15									
- acquisition of investment in subsidiaries	15	-	-	-	-	-	-	-	8,166,125	8,166,125
- loss of control from investment in subsidiaries	15	-	-	-	-	-	-	-	(4,106,808)	(4,106,808)
- set up new subsidiaries	15	-	-	-	-	-	-	-	9,000,000	9,000,000
- Reduction the capital in subsidiaries	29	-	-	-	-	-	-	-	(35,000,000)	(35,000,000)
Dividends payment	26	-	-	-	-	-	-	-	(13,632,536)	(13,632,536)
Actual gain (loss) on defined employee benefit plans	-	-	-	1,855,161	-	-	-	1,855,161	(11,280)	1,843,881
Total comprehensive income (loss) for the year	-	-	-	(65,856,874)	-	209,834	-	(63,647,040)	10,378,140	(53,268,906)
Closing balance as at December 31, 2017	325,146,675	422,995,719	3,802,569	(208,376,801)	46,839,683	400,201	978,802	593,787,844	171,180,630	724,967,674

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2017

		Baht					
		Separate financial statements					
		Authorised, issued and fully paid-up share capital	Share premium	Retained earnings (Deficits)		Other components of equity Other comprehensive income Surplus from land revaluation (net)	Total
	Note			Appropriated - legal reserve	Unappropriated		
Beginning balance as at January 1, 2016		324,994,222	465,065,524	24,390,707	(67,064,842)	46,839,683	794,225,294
Changes in shareholders' equity for the year 2016							
Warrant exercised	27	152,453	604,326	-	-	-	756,779
Deduction of deficits	28	-	(42,674,135)	(24,390,707)	67,064,842	-	-
Dividends payment	29	-	-	-	(45,499,191)	-	(45,499,191)
Legal reserve	30	-	-	3,802,569	(3,802,569)	-	-
Total comprehensive income (loss) for the year		-	-	-	49,338,650	-	49,338,650
Closing balance as at December 31, 2016		325,146,675	422,995,715	3,802,569	36,890	46,839,683	798,821,532
Changes in shareholders' equity for the year 2017							
Actual gain (loss) on defined employee benefit plans	26	-	-	-	1,568,738	-	1,568,738
Total comprehensive income (loss) for the year		-	-	-	(35,407,836)	-	(35,407,836)
Closing balance as at December 31, 2017		325,146,675	422,995,715	3,802,569	(33,802,208)	46,839,683	764,982,434

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Haft			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities :				
Profit (loss) before income tax	(50,820,662)	50,585,328	(47,568,631)	47,973,053
Adjustments:				
Depreciation - investment properties	-	-	2,077,664	2,076,505
Depreciation - property, plant and equipment	89,749,515	58,354,337	43,381,120	49,594,528
Amortisation charge	17,493,660	14,490,612	12,559,822	11,069,573
Loss on impairment of investment in subsidiaries (reversal)	-	-	(6,820,343)	-
Loss from and debt written - off	4,352,056	4,241,925	4,352,056	4,241,955
Allowances for doubtful accounts (reversal)	10,332,923	4,674,685	6,415,187	4,674,589
Loss from physical count of inventory	487,235	520,436	487,235	518,942
Allowance for obsolete and slow moving inventories (reversal)	698,400	(212,941)	(921,080)	(735,825)
Allowance for inventory cost in excess of net realisable value (reversal)	(59,496)	52,153	(59,496)	52,153
Provision for goods returned (reversal)	238,569	(247,594)	238,569	(281,850)
Accounts payable which are free from payment	-	(7,475,434)	-	(6,762,841)
Loan which are free from payment	-	(2,560,000)	-	-
Gain from disposal of held-to-maturity investments	(96,535)	(60,347)	-	-
Gain from disposal of available-for-sale investments	117,372	(1,536,523)	-	-
Net loss from disposal of property, plant and equipment	563,613	787,295	563,613	787,295
Net loss from intangible assets written - off	-	8	-	8
Provision for repayments to insurance company	-	43,991,406	-	-
Employee benefit obligations	2,812,073	7,155,751	1,172,155	5,067,720
Profit from losing control in subsidiaries	3,059,317	-	-	-
Interest income from - disposal of held-to-maturity investment	-	(6,103,795)	-	-
- financial institutions	1,057,876	(2,118,304)	(389,235)	(659,605)
- related parties	-	-	(675,589)	(251,737)
Dividend income	-	-	(52,317,464)	(70,659,096)
(Gain) loss from exchange rate of borrowings				
- from financial institutions				
- realized	(3,890,720)	281,501	(3,890,720)	281,501
- unrealized	1,392	(1,890,733)	1,392	(1,890,733)
Finance costs				
- interest from borrowings	15,197,643	12,870,418	14,525,230	13,798,141
- interest from liabilities under financial lease agreements	25,450	458,158	12,712	211,562
Gain (loss) from operating before the change in working capital	53,495,067	176,348,506	(5,058,505)	56,727,058

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Haht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in working capital				
- trade and other accounts receivable	(43,141,563)	(48,637,283)	(22,517,059)	75,496,567
- inventories	154,774,976	(67,396,639)	142,910,557	(74,320,136)
- deposits for goods purchases	7,191,378	8,290,894	7,191,378	9,290,894
- value added tax	16,516,458	(1,013,295)	10,191,827	1,506,414
- other current assets	30,884	32,281	30,884	32,281
- other non-current assets	63,969	(1,935,890)	3,686,974	(1,615,078)
- trade and other accounts payable	17,878,694	(53,870,754)	1,117,993	(41,554,589)
- provision for repayment to insurance companies	6,897,918	(68,716,825)	-	(22,273,751)
- other current liabilities	(3,234,812)	(718,784)	(1,389,371)	(896,772)
- employee benefit obligations - paid	11,878,103	(1,053,666)	(1,147,262)	(758,974)
- other non-current liabilities	150,788	(299,333)	(3,006,736)	(299,333)
Cash receipts (payments) from operating activities				
- before financial income received and income tax paid	500,747,594	58,344,404	132,700,600	11,426,561
Interest income received	937,376	2,118,304	1,264,824	639,605
Income tax paid	(22,902,344)	(27,776,090)	(2,435,416)	2,932,691
Income tax received	8,061,088	-	8,061,088	-
Net cash receipts (payments) from operating activities	185,844,213	32,686,618	139,091,094	16,018,857
Cash flows from operating net assets				
Held-to-maturity investments - payments	(43,095,919)	(294,866,435)	-	-
Held-to-maturity investments - proceeds	189,453,453	367,261,418	-	-
Held-to-maturity investments - interest received	-	5,496,571	-	-
Available-for-sale investments - payments	13,79,800,209	(304,117,600)	-	-
Available-for-sale investments - proceeds	307,440,756	346,435,756	-	-
Loan to a subsidiary - payments	-	-	-	-
Loan to a subsidiary - proceeds	-	-	-	4,000,000
Loan to a subsidiary - interest received	-	-	-	172,701
Loan to associate - payments	(18,500,000)	-	(18,500,000)	-
- proceeds	4,000,000	-	4,000,000	-
Cash received from sale of investment in subsidiary	-	11,690,000	-	-
Cash received from decrease in share capital - subsidiary	-	-	64,999,985	-
Cash paid for purchase of investments in subsidiary	-	-	(28,199,200)	(30,760,000)
Cash paid for purchase of investments in associate	(10,000,000)	-	(10,000,000)	-
Cash paid for purchase of - investment properties	-	-	-	(79,000)
Cash paid for purchase of - property, plant and equipment	(54,440,840)	(107,742,844)	(21,609,035)	(30,573,398)
Cash paid for purchase of - intangible assets	(10,318,000)	(20,080,337)	(9,498,000)	(11,857,323)
Cash received from sale equipment	11,958,014	130,321	7,535,024	130,321
Cash received from sale-work in process	-	450,000	-	-
Cash received from sale - intangible assets	271,085	-	271,085	-
Cash received from dividend income	-	-	52,517,464	71,629,796
Net cash receipts (payments) from investing activities	(9,014,660)	(5,341,290)	11,021,523	13,884,607

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Haht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Cash flows from financing activities:</u>				
Increase (decrease) in bank overdrafts and short-term loans				
- from financial institutions	112,641,407	11,910,161	(121,641,407)	11,910,161
Short-term loans from related parties - received	-	-	15,000,000	-
Short-term loans from related parties - repayments	-	(640,000)	-	(10,000,000)
Long-term loans from financial institutions - received	32,500,000	-	32,500,000	-
Long-term loans from financial institutions - repayments	(25,370,736)	(22,231,553)	(25,370,736)	(22,231,553)
Finance costs paid - interest expense	(15,197,642)	(10,245,416)	(14,525,230)	(10,131,547)
Cash payments for liabilities under financial lease agreements				
- principal	(3,414,796)	(3,391,544)	(1,338,149)	(4,343,105)
- interest expense	(23,150)	(138,178)	(12,712)	(211,352)
Cash received from paid-up share capital	-	256,775	-	756,775
Cash paid for dividend payment	-	(43,443,693)	-	(43,443,693)
Cash paid for dividend payment to non-controlling interests	(13,632,536)	(39,570,064)	-	-
Cash paid for increase of investment in subsidiary	-	(7,760,000)	-	-
Cash received from non-controlling interests to set up new subsidiaries	9,000,000	-	-	-
Net cash receipts (payments) from financing activities	(137,783,567)	(116,565,448)	(115,388,234)	(72,875,520)
Net increase (decrease) in cash and cash equivalents	49,046,985	(89,220,050)	34,724,183	(50,972,056)
Cash and cash equivalents - beginning balance	164,898,584	254,118,634	82,527,630	133,497,686
Cash and cash equivalents - ending balance	213,945,569	164,898,584	117,251,813	82,527,630
<u>Additional information</u>				
An outstanding payable as at December 31, arising from				
- purchases of equipment	-	2,007,019	-	(1,017,242)
- purchases of intangible assets	-	7,578,633	-	1,070,803
Transfer of employee benefit obligation to related company	-	-	-	2,314,831
Transfer of assets for investment in subsidiaries	-	-	5,001,288	-
Reduction of capital pending refund to non-controlling interest	35,000,000	-	-	-

Notes to financial statements form an integral part of these statements.

TV DIRECT PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. GENERAL INFORMATION

TV Direct Public Company Limited (“the Company”) is incorporated as a limited company in Thailand on April 21, 1999 and subsequently registered to convert to a public company limited on May 4, 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 August 23, 2012.

The address of its registered office is at 25 Watcharaphol Road, Tha-Raeng Sub-district, Bang Khen District, Bangkok 10230.

As at December 31, 2017, the Company has 85 distribution centers (As at December 31, 2016 : 92 distribution centers), which are registered with the Ministry of Commerce, in Bangkok and other provinces.

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 air time for advertising.

These consolidated and separate financial statements have been approved by the Board of Directors on February 23, 2018.

2. ACCOUNTING POLICIES

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.

2.2 The accounting standards that are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2017 as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
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 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
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 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Trouble Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-Based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
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 Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
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)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016)
	Financial Reporting in Hyperinflationary 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 (revised 2016)-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

The management of the Group evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in the current year.

2.3 The revised accounting standards that are not yet effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are revised.

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
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TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
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TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets

TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
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TFRIC 13 (revised 2017)	Service Concession Arrangements
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TFRIC 15 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2017)	Transfers of Assets from Customers
TFRIC 21 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
	Levies

The management of the Group believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are revised will not have any significant impact on the financial statements for the year when they are initially applied.

2.4 Group accounting

Investments in subsidiaries

a) 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 remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

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 remeasured, 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 recognised 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.

b) 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.

c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured 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 purpose of subsequent measurement for the retained interest in 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.

Investments in associates

Associates are those companies in which the Company has significant influence, that is the Company has power to participate in the decision relating to the financial and operating policies of the enterprise but not up to the level of controlling such policies. In the consolidated financial statements, investments in associates are stated at equity method. If the associates have capital deficiencies, the recognition of the Company's portion on such investments will be equal to zero only. In the separate financial statements, investments in associates are stated at net cost from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss for the period in the statement of comprehensive income.

2.5 Cash and cash equivalents

In the statements of consolidated and separate cash flows, cash and cash equivalents include 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. 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 accounts 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 accounts 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 selling expenses. The Group provides an allowance where necessary, for obsolete, slow-moving and defective inventories.

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 reviews such classification 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 an 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) Available-for-sale investments are 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 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 investments 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 the 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 stated at amortised cost using the effective yield rate less the allowance for impairment.

General investments are stated at cost less the allowance for impairment.

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

On disposal of an investment, the difference between the fair value of net 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 investment is determined by the weighted average method with the 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.

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 the estimated useful lives, as follows:

Buildings and building improvements 5 - 20 years

2.10 Property, plant and equipment

Land is stated at the fair value based on the valuations by external independent valuers and it will be reviewed every 3 - 5 years. Buildings and equipment are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to the 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 is 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 to their residual value over the estimated useful lives as follows:

Land improvements	5 Years
Buildings	20 Years
Building 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.

2.11 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 Ling-term lease agreements - 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 transferred 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.

Long-term lease agreements - 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.

2.14 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 prepayment 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 the 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 the reporting period in the countries where the Company and its subsidiaries operate and generate 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.

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's 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's 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 pastservice 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. Pastservice costs are recognised immediately in profit or loss.

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 Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Transactions denominated in foreign currencies during the year are translated into Baht at the rates of exchange ruling on the transaction dates. Realized gains and losses on foreign exchange transactions are recognized in the statements of comprehensive income as incurred. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the exchange rates ruling at that date. Unrealized gains and losses on exchange are recognized as income or expense in the statements of comprehensive income when incurred.

2.21 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 Board of Directors, respectively.

2.22 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 are exposed 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, recognition of 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's 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 classified 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	Bahr			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Fair value of assets as at December 31					
Available-for-sale					
Investments (Note 8)	2	140,502,525	66,099,223	-	-
Property, plant					
and equipment (net) (Note 17)	3	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 measurement are from observable data, the instrument is included in level 2.

4 . SIGNIFICANT 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.

Significant accounting estimates and assumptions

The Group makes estimates and assumptions concerning the events in 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's financial statements. An allowance for impairment was recognised as the cost of the investments in a subsidiary exceeded the recoverable amount, which is determined 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 prepared and reviewed financial forecast and expected future cash inflow.

(b) Deferred tax

Deferred tax arises 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

Certain part of the consolidated statements of comprehensive income for the year ended December 31, (Baht)

	Direct marketing		General marketing		Services		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales of goods	2,565,383,781	2,422,202,109	283,276,021	475,574,250	-	-	15,739,490	12,837,077	2,864,399,292	2,910,613,436
Cost of goods sold	(1,335,926,733)	(1,200,542,255)	(162,106,946)	(232,595,779)	-	-	(8,522,600)	(6,529,566)	(1,506,556,279)	(1,439,667,600)
Gross profit	1,229,457,048	1,221,659,854	121,169,075	242,978,471	-	-	7,216,890	6,307,511	1,357,843,013	1,470,945,836
Service income	254,226,733	175,643,586	-	-	192,143,470	316,721,888	-	-	446,370,203	492,365,474
Cost of service	(201,744,489)	(159,877,252)	-	-	(195,895,580)	(195,310,996)	-	-	(397,640,069)	(355,188,248)
Gross profit	52,482,244	15,766,334	-	-	(3,752,110)	121,410,892	-	-	48,730,134	137,177,226
Total gross profit	1,281,939,292	1,237,426,188	121,169,075	242,978,471	(3,752,110)	121,410,892	7,216,890	6,307,511	1,406,573,147	1,608,123,062
Other income										
- Sale discount									5,849,742	9,414,409
- Other									16,285,897	32,305,884
Selling and administrative expenses									(1,479,023,095)	(1,586,561,686)
Other expenses									(363,801)	(1,434)
Profit from losing control in subsidiaries									2,059,317	-
Other gain (loss)									(3,871,105)	(575,543)
Finance costs									(11,330,764)	(11,719,364)
Income tax income (expense)									8,241,105	(11,870,940)
Profit (loss) for the year									(55,579,557)	39,114,388

Certain part of the consolidated statements of comprehensive income for the year ended December 31, (Baht)

	Direct marketing		General marketing		Services		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales of goods	1,640,891,835	1,489,926,257	281,003,046	466,472,301	-	-	15,739,490	12,837,077	1,937,634,371	1,969,235,635
Cost of goods sold	(786,179,594)	(669,231,963)	(146,570,819)	(229,566,159)	-	-	(8,522,600)	(6,529,565)	(941,273,013)	(905,327,687)
Gross profit	854,712,241	820,694,294	134,432,227	236,906,142	-	-	7,216,890	6,307,512	996,361,358	1,063,907,948
Service income	-	-	-	-	188,860,780	319,965,888	-	-	188,860,780	319,965,888
Cost of service	-	-	-	-	(244,396,604)	(195,310,996)	-	-	(244,396,604)	(195,310,996)
Gross profit	-	-	-	-	(55,535,824)	124,654,892	-	-	(55,535,824)	124,654,892
Total gross profit	854,712,241	820,694,294	134,432,227	236,906,142	(55,535,824)	124,654,892	7,216,890	6,307,512	940,825,534	1,188,562,840
Other income									104,235,518	140,962,868
Selling and administrative expenses									(1,077,856,606)	(1,269,569,467)
Other expenses									(363,801)	-
Other gain (loss)									(3,763,665)	(594,717)
Finance costs									(10,645,614)	(11,388,471)
Income tax income (expense)									12,160,795	1,365,597
Profit (loss) for the year									(35,407,839)	49,338,650

7. CASH AND CASH EQUIVALENTS

	Bzr			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	1,511,459	4,716,232	1,033,489	4,897,012
Checks on hand	-	4,488,138	-	4,488,138
Cash at banks - current accounts	12,054,040	18,718,383	5,479,373	18,614,701
- savings accounts	200,400,070	136,975,831	110,650,052	54,827,779
	<u>213,965,569</u>	<u>164,898,584</u>	<u>117,162,914</u>	<u>82,927,630</u>

Cash at banks - savings accounts carry interest at the rates of 0,125% - 0,750% per annum.

8. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at December 31, 2017 and 2016 are as follows:

Securities name	Consolidated financial statements											
	Investment units held		Cost per unit		Total cost		Market price per unit		Market value		Unrealised profit (loss)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
TMB THANAPLUS (TMBMPLUS)	-	5,514,387	-	11.58	-	63,834,517	-	11.60	-	63,992,289	-	117,372
LI Money Market Fund (LIHMM)	192,617	192,617	18.30	10.30	1,894,268	1,984,269	11.29	11.15	2,174,170	2,146,934	27,236	162,665
SCB Treasury Money Plus Closed End Fund (SCBTMPPLUS)	12,651,096	-	10.90	-	137,850,869	-	10.95	-	138,328,355	-	477,486	-
Total	12,843,713	5,707,004			139,855,164	65,818,786			140,502,525	66,099,223	504,696	280,037

The movements of available-for-sale investments for the years ended December 31, 2017 and 2016 are as follows:

	Bath	
	Consolidated financial statements	
	2017	2016
Balance as at January 1, 2017	66,099,223	97,458,588
Additions	379,803,209	304,117,660
Disposals	(307,340,756)	(336,439,756)
- cash received from disposals of available-for-sale investments	1,553,525	1,536,923
- gain from disposals of available-for-sale investments (Note 2b)	(117,372)	(854,229)
Changes in fair value of available-for-sale investments	504,696	280,037
Balance as at December 31, 2017	140,502,525	66,099,223

As at December 31, 2017 and 2016, 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 2 of fair value hierarchy). There is no change in valuation method during the year.

9. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments as at December 31, 2017 and 2016 represent close-ended fund units at local financial institution which are classified as held-to-maturity investments as follows :

Security name	Consolidated financial statements					
	Investment units held (Unit)		Cost per unit (Baht)		Total cost (Baht)	
	2017	2016	2017	2016	2017	2016
LH Enhanced Fixed Income Fund 6M7	-	986,575	-	10.60	-	10,000,000
LH Enhanced Fixed Income Fund 6M9	-	3,902,858	-	10.25	-	40,000,000
Solaris Privilege Fixed Income Fund 3M4	-	940,071	-	10.21	-	9,598,778
Solaris Privilege Fixed Income Fund 6M1	-	1,903,928	-	10.83	-	20,373,741
Solaris Privilege Fixed Income Fund 6M4	-	5,873,792	-	10.49	-	61,604,329
Total	-	13,567,224	-	-	-	141,576,848
Add : Interest receivable	-	-	-	-	-	627,224
	-	-	-	-	-	142,204,072

The movement of held-to-maturity investments for the year ended December 31, 2017 and 2016 are as follows:

	Baht	
	Consolidated financial statements	
	2017	2016
Balance as at January 1,	142,204,072	213,914,464
Additions	48,995,919	294,866,455
Interest receivable	2,834,263	6,103,795
Disposal	(189,462,453)	(367,264,418)
- cash received from disposal of held-to-maturity investment		
- account receivable from disposal of investments	(4,628,336)	(5,476,571)
- gain from disposal of held-to-maturity investment (Note 32)	56,535	60,347
Balance as at December 31,	-	142,204,072

10. TRADE AND OTHER ACCOUNTS RECEIVABLE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts receivable				
- other companies	177,564,587	131,113,919	116,077,673	87,122,231
- related parties (Note 37 c))	-	-	6,766,974	3,659,492
	177,564,587	131,113,919	122,844,647	90,781,723
Less Allowance for doubtful accounts - others	(38,930,350)	(28,385,402)	(35,008,613)	(28,385,402)
Trade accounts receivable (net)	138,634,237	102,728,517	87,836,034	62,396,321
Accounts receivable from trade barter				
of goods or service	4,881,558	4,927,132	4,881,558	4,927,132
Less Allowance for doubtful accounts	(4,881,558)	(4,927,132)	(4,881,558)	(4,927,132)
Accounts receivable from trade barter				
of goods or service (net)	-	-	-	-
Other accounts receivable				
- other companies	20,522,015	21,510,039	19,394,548	21,026,673
- related parties (Note 37 c))	-	1,420	80,756	418,351
	20,522,015	21,511,459	19,475,304	21,445,024
Less Allowance for doubtful accounts - others	(11,097,765)	(11,260,214)	(11,097,765)	(11,260,214)
Other accounts receivable (net)	9,424,250	10,251,245	8,377,539	10,184,810
Post dated cheques received	924,485	513,786	893,076	513,786
Accounts receivable from sales of investments				
in subsidiaries	-	1,560,000	-	-
Accrued income				
- other companies	11,529,662	14,691,071	11,107	1,759,244
- related parties (Note 37 c))	-	-	302,000	11,800,704
Interest receivable - related parties (Note 37 c))	61,575	-	73,805	12,230
Advance payment				
- other companies	674,294	2,935,971	320,281	2,802,971
- related parties (Note 37 c))	-	1,508,917	2,949,669	6,453
Prepaid expenses	7,741,997	7,600,338	6,871,815	6,609,011
	20,932,013	28,810,083	11,421,753	23,504,399
	168,990,500	141,789,845	107,635,326	96,085,530

Trade accounts receivable as at December 31, 2017 and 2016 classified by aging are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounts receivable (net even as (7 days - 60 days credit terms))	67,835,635	71,476,274	34,411,150	32,378,981
Overdue				
1 - 30 days	20,805,345	19,922,076	20,745,231	19,633,228
31 - 60 days	5,134,268	3,201,071	4,630,692	2,889,146
61 - 90 days	3,746,101	1,324,606	1,607,686	834,926
91 - 180 days	5,191,124	2,527,407	1,801,232	2,585,027
181 - 365 days	16,470,963	4,033,311	3,917,886	4,053,511
Over 365 days	57,380,150	28,608,904	36,683,770	28,608,904
	<u>177,564,587</u>	<u>131,113,919</u>	<u>122,844,647</u>	<u>90,781,723</u>

11. INVENTORIES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Finished goods	331,348,337	437,157,573	327,189,105	436,381,927
Less: Allowance for obsolete and slow-moving inventories	(11,453,534)	(12,352,488)	(11,455,524)	(12,374,600)
Allowance for inventory cost in excess of net realisable value	(226,748)	(286,244)	(226,748)	(286,244)
	<u>319,668,055</u>	<u>424,518,841</u>	<u>315,506,833</u>	<u>423,721,079</u>
Packing materials	341,643	594,303	-	-
Supplies	3,799,893	3,677,999	3,799,893	3,677,999
Goods in transit	2,969,758	31,296,622	2,969,758	31,296,622
	<u>326,779,351</u>	<u>481,643,115</u>	<u>322,278,484</u>	<u>458,695,700</u>

As at December 31, 2017, inventory costs in the consolidated and separate financial statements with the value of Baht 1,802,568 and Baht 1,802,568 (As at December 31, 2016 : Baht 2,229,366 and Baht 2,229,366), respectively are stated at net realisable value, which is 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 1,546,900,831 and Baht 920,367,867 (2016 : Baht 1,481,731,625 and Baht 892,114,171), respectively.

12. VALUE ADDED TAX

	Data			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Prepaid output tax	-	2,781,100	-	3,428,990
Due input tax	1,917,493	4,031,013	697,105	3,241,288
Value added tax received in advance	(3,916,295)	(5,139,487)	-	-
Value added tax payable	(9,653,436)	(3,176,499)	15,892,168	(1,673,314)
Value added tax receivable	-	3,278,963	-	-
	(11,651,338)	4,865,150	15,195,063	4,996,764

As at December 31, 2017 and 2016, value added tax presented by net taxable units are as follows:

	Data			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Value added tax - assets	-	6,742,286	-	4,996,764
- liabilities	(11,651,338)	(1,877,166)	(5,195,063)	-
	(11,651,338)	4,865,120	(5,195,063)	4,996,764

13. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2017 and 2016, restricted deposits at financial institutions represent 3-month to 12-month fixed deposits. The fixed deposits are held as collateral against short-term loan from financial institutions (Note 21).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	0.65 - 0.52	0.65 - 0.50	0.65 - 0.50	0.65 - 0.50
Interest rate (%) per annum				
Uses as collateral for	Short-term loan	Short-term loan	Short-term loan	Short-term loan
from financial institutions	from financial institutions	from financial institutions	from financial institutions	from financial institutions
(Note 21), entire period	(Note 21), entire period	(Note 21), entire period	(Note 21)	(Note 21)
(Note 29.11 and credit facilities) (Note 21)	(Note 29.11 and credit facilities) (Note 21)			

14. INVESTMENT IN ASSOCIATE

Company name	Paid-up share capital		Percentage of shareholding %		Baht			
					Consolidated financial statement		Separate financial statement	
					Equity method		Cost method	
	2017	2016	2017	2016	2017	2016	2017	2016
3-RD Co., Ltd.	16,000,000	-	25%	-	10,000,000	-	10,000,000	-

Summarised financial information of associate

	Baht	
	3-RD Co., Ltd.	
	2017	2016
Current assets	41,253,980	-
Non-current assets	51,725,643	-
Current liabilities	37,034,340	-
Non-current liabilities	27,731,667	-
Revenue	126,512,940	-
Profit for the year	(3,651,602)	-
Other comprehensive income	-	-
Total comprehensive income	(3,651,602)	-
Dividend receive from associate during the year	-	-

On May 5, 2017, the Company has acquired 90,000 shares in 3-RD Co.,Ltd. from the total of 180,000 shares, or 50% of issued and paid-up shares at the amount of Baht 10,000,000 and has taken control as the subsidiary of the Company. Later on December 4, 2017, 3-RD Co.,Ltd. has increased its registered capital from Baht 18,000,000 (180,000 shares at Baht 100 per share) to Baht 36,000,000 (360,000 shares at Baht 100 per share). The Company has waived its rights to purchase the capital increase shares. As a result, the shareholding of the Company in 3-RD Co.,Ltd. has been decreasing from 50% to 25% and 3-RD Co.,Ltd. has ceased to be a subsidiary of the Company and has changed to be the associate of the Company from December 4, 2017, onwards (Note 15).

15. INVESTMENTS IN SUBSIDIARIES

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

Company name	Nature of business	Incorporated in	Percentage of shareholding		Paid-up share capital	
			2017	2016	2017	2016
			%	%	Baht	Baht
Subsidiaries						
TVD Shopping Co., Ltd.	Sell goods and services through multiple marketing channels	Thailand	65.00	65.00	345,000,000	445,000,000
TVD Services Co., Ltd.	Sell airtime for television broadcast and sell household equipment and other	Thailand	99.99	99.99	40,000,000	40,000,000
TVD Broker Co., Ltd.	Life insurance broker and other services related to insurance against loss	Thailand	99.99	99.99	55,000,000	40,000,000
Last Mile Direct Co., Ltd.	Delivery services	Thailand	99.99	99.99	40,000,000	30,000,000
Magik Pivot Co., Ltd.	Data center service	Thailand	60.00	-	22,499,200	-

Separate financial statements

response: investment subsidiaries										
Cost method										
Company name	2017 (Bath)					2016 (Bath)				
	Cost	Allowance for impairment	Book Value	Proportionate net worth	Gain (loss) from investment in subsidiaries	Cost	Allowance for impairment	Book Value	Proportionate net worth	Gain (loss) from investment in subsidiaries
Subsidiaries										
TVD Shopping Co., Ltd.	224,250,000	-	224,250,000	160,083,009	(63,266,991)	289,249,985	-	289,249,985	228,082,654	(61,167,331)
TVD Services Co., Ltd.	39,999,998	-	39,999,998	44,044,114	4,044,116	39,999,998	(4,620,343)	35,379,655	40,380,051	5,000,396
TVD Broker Co., Ltd.	54,999,960	-	54,999,960	11,273,112	(43,726,848) *	39,999,960	-	39,999,960	8,062,927	(31,037,033)*
Last Mile Direct Co., Ltd	29,229,620	-	29,229,620	2,269,278	(26,960,342) *	19,229,620	-	19,229,620	8,846,118	(10,383,562)*
Magis Photo Co., Ltd.	13,499,200	-	13,499,200	13,385,904	113,296	-	-	-	-	-
	361,978,778	-	361,978,778	231,955,417	(129,796,709)	388,479,563	(4,620,343)	383,859,220	266,271,759	(97,587,670)

During the year 2017, the Company has reversed the allowance for impairment of investment in TVD services Co., Ltd. "Subsidiary" in the amount of Baht 4,620,343 since such subsidiary has already appropriately restructured its business and capital structure.

* 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 2018, 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 2018 and expects to receive the profits from the operation.

Therefore, there was no recognition of allowance for impairment of investments in subsidiaries.

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 as at December 31, 2017 and 2016

	Bahr							
	TVD Shopping Co., Ltd.		Last Mile Direct Co., Ltd.		Magik Pivot Co., Ltd.		Total	
	As at December 31,		As at December 31,		As at December 31,		As at December 31,	
	2017	2016	2017	2016	2017	2016	2017	2016
Current								
Assets	202,678,632	201,171,500	-	20,081,604	12,529,188	-	215,207,820	221,253,104
Liabilities	(177,771,076)	(150,364,983)	-	(12,487,615)	(219,348)	-	(177,990,424)	(162,852,598)
Total net current assets	24,907,556	50,806,517	-	7,593,989	12,309,840	-	37,217,396	58,400,506
Non-current								
Assets	224,279,524	301,272,520	-	1,461,243	10,000,000	-	234,279,524	302,733,763
Liabilities	(1,520,913)	(1,182,643)	-	(209,114)	-	-	(1,520,913)	(1,391,757)
Total net non-current assets	222,758,611	300,089,877	-	1,252,129	10,000,000	-	232,758,611	301,342,006
Net assets	247,666,167	350,896,394	-	8,846,118	22,309,840	-	269,976,007	359,742,512

Summarised statements of comprehensive income for the years ended December 31, 2017 and 2016

	Bahl							
	TVD Shopping Co., Ltd.		Last Mile Direct Co., Ltd.		Magik Pivot Co., Ltd.		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	1,059,790,214	1,081,103,454	-	9,952,480	-	-	1,059,790,214	1,091,055,934
Profit (loss) before income tax	40,265,623	92,254,150	-	(3,060,282)	(189,360)	-	40,076,263	89,193,868
Income tax income (expense)	(4,801,685)	(18,026,680)	-	-	-	-	(4,801,685)	(18,026,680)
			-			-		
Post-tax profit (loss) from continuing operations	35,463,938	74,227,470	-	(3,060,282)	(189,360)	-	35,274,578	71,167,188
Other comprehensive income	255,840	(482,807)	-	-	-	-	255,840	(482,807)
Total comprehensive income	35,719,778	73,744,663	-	(3,060,282)	(189,360)	-	35,530,418	70,684,381
			-			-		
Total comprehensive income allocated to non-controlling interests	12,412,378	25,979,615	-	(1,124,113)	(75,744)	-	12,336,634	24,755,502
Dividends paid to non-controlling interests	13,632,536	38,570,004	-	-	-	-	13,632,536	38,570,004

Summarised statements of comprehensive income for the years ended December 31, 2017 and 2016

	Baht							
	TVD Shopping Co., Ltd.		Last Mile Direct Co., Ltd.		Magik Pivot Co., Ltd.		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Cash flow from operating activities:								
Cash generated from operations	61,353,647	62,965,768	-	(6,802,481)	29,988	-	61,383,635	56,163,287
Interest received	220,205	1,289,593	-	17,350	-	-	220,205	1,306,943
Interest paid	-	-	-	(173,385)	-	-	-	(173,385)
Paid to employee benefit	(120,000)	-	-	-	-	-	(120,000)	-
Income tax paid	(5,915,826)	(23,455,198)	-	-	-	-	(5,915,826)	(23,455,198)
			-			-		
Net cash generated from (used in) operating activities	55,538,026	40,800,163	-	(6,958,516)	29,988	-	55,568,014	33,841,647
			-			-		
Net cash generated from (used in) investing activities	51,844,984	14,561,329	-	975,140	-	-	51,844,984	15,536,469
			-			-		
Net cash generated from (used in) financing activities	(106,462,394)	(114,806,055)	-	4,360,000	12,499,200	-	(93,963,194)	(110,446,055)
Net (decrease)/increase in cash and cash equivalents	920,616	(59,444,563)	-	(1,623,376)	12,529,188	-	13,449,804	(61,067,939)
Cash and cash equivalents at the beginning of the year	34,074,567	93,519,130	-	6,976,980	-	-	34,074,567	100,496,110
Cash and cash equivalents at the end of the year	34,995,183	34,074,567	-	5,353,604	12,529,188	-	47,524,371	39,428,171

The net movement of investments in subsidiaries for the years ended December 31, 2017 and 2016 comprises the following:

	Baht	
	Separate financial statements	
	2017	2016
Opening net book value	483,859,320	353,000,330
Cash paid for investment in: - East Asia Direct Co., Ltd.	10,000,000	5,760,000
- TVD Banker Co., Ltd.	15,000,000	18,000,000
- Magic Print Co., Ltd.	8,400,700	-
Asset for investing - Magic Print Co., Ltd.	5,000,000	-
Cash received from decrease share capital - TVD Shopping Co., Ltd.	(64,000,000)	-
Reversed the allowance for impairment - TVD Services Co., Ltd.	4,650,349	-
Ending net book value	501,978,778	483,859,320

The movement of shares capital of subsidiaries for the years ended December 31, 2017 and 2016 as follows:

- TVD Shopping Co., Ltd.

According to the Board of Directors' Meeting of TVD Shopping Co., Ltd. "Subsidiary" No. 4/2017 dated November 8, 2017, the meeting had approved to decrease the subsidiary's registered share capital from Baht 445,000,000 to Baht 345,040,000. The decreased registered capital amounting Baht 100,000,000 is from the issuance of 20,000,000 ordinary shares, which has the par value at Baht 5 per share.

As at December 31, 2017, such subsidiary has reduction of capital pending refund to non-controlling interest in the amount of Baht 35,000,000.

- TVD Services Co., Ltd. (Formerly named "TV Direct Indochina Co., Ltd.")

At the extraordinary meeting of shareholders no. 1/2016 held on May 17, 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 and the reduction of capital of Baht 104,400,000 is used to compensate the accumulated loss in the full amount. The subsidiary registered to decrease its share capital with the Ministry of Commerce on June 21, 2016.

- TVD Broker Co., Ltd.

As at November 7, 2016, at the Board of Director's Meeting of TVD Broker Co., Ltd., (subsidiary) No. 9/2016 held on November 7, 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.

According to the Board of Directors' Meeting of the Company No. 6/2017 dated August 11, 2017, the resolutions were approval to invest in the share capital increase of TVD Broker Co., Ltd. "subsidiary" for 1,500,000 shares at Baht 10 per share in the total amount of Baht 15,000,000.

- Last Mile Direct Co., Ltd. (Formerly named "JML Direct (Thailand) Co., Ltd.")

As at December 19, 2016, the Company has additionally invested in the ordinary shares of Last Mile Direct Co., Ltd. for 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 values 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.

According to the Board of Directors' Meeting of the Company No. 6/2017 dated August 11, 2017, the resolutions were approval to invest in the share capital increase of Last Mile Direct Co., Ltd. "subsidiary" for 100,000 shares at Baht 100 per share in the total amount of Baht 10,000,000.

- 3-RD Co., Ltd.

According to the Board of Directors' meeting No.3/2017 held on April 20, 2017, it had the resolution to approve investing in 3-RD Company Limited (Main business is Call Center Outsource Services and Direct Marketing Solution) to enhance the potential and add on to the business operation as well as expanding the scope of business for higher coverage, by purchasing 90,000 shares (50% of the Company's registered capital), at Baht 111.11 per share in the total amount of Baht 10,000,000 from the former shareholders. Payment is done on May 5, 2017.

At the date of acquiring investment in the subsidiary (on May 5, 2017), there are differences from book value and cash paid for investment as follows:

	Baht
	3-RD Company Limited
Assets	
Cash and cash equivalents	1,726,626
Trade and other accounts receivable	17,845,978
Other current assets	4,577,045
Equipment	20,562,532
Intangible assets	13,249,314
Income tax refundable	10,893,940
Deposit	7,851,468
Deferred tax assets	4,593,382
Total assets	81,300,285
Liabilities	
Short-term loans from financial institutions	3,300,183
Trade and other accounts payable	14,717,865
Short-term loans from related company	22,443,420
Liabilities under financial lease agreement	5,998,614
Other current liabilities	10,902,677
Employee benefit liabilities	11,605,276
Total liabilities	68,968,035
Net asset value	12,332,250
Proportionate of net asset value (50%)	6,166,125
Cash paid for investment	10,000,000
Variance (Goodwill)	3,833,875

According to the Board of Directors' Meeting of the Company No. 7/2017 dated November 10, 2017, the meeting had a resolution to approve the Company's subsidiary, 3-RD Co., Ltd., in order to increase its registered capital another Baht 18,000,000 (have a share premium of Baht 2,000,000) totaling the registered capital Baht 36,000,000 dividing into 360,000 shares at Baht 100 per share. This is to support the joint venture from an overseas company, who operates the business as a manufacturer, distributor, and service provider related to software with managed systems that provide services covering the sales or service at shop fronts, central management, back office management, as well as providing customer information analysis service and various services to optimize the sales and service of customers. In this regard, the Company will reduce its investment in 3-RD Co., Ltd. by foregoing its right to purchase the share capital increase 25 percent of all registered capital of 3-RD Co., Ltd. at the amount of Baht 36,000,000 or total value of Baht 9,000,000. As a result of the waiver of the right to purchase such share capital increase, it causes the Company's shareholding in 3-RD Co., Ltd. to decrease from 50 percent to 25 percent and 3-RD Co., Ltd. ceased to be a subsidiary of the Company by changing its status as associate and resulting in profit on losing control in subsidiaries amounting to Baht 2,059,317 to be recognized in the statement of comprehensive income.

- Magik Pivot Co., Ltd.

According to the Board of Directors' Meeting of the Company No. 7/2017 dated November 10, 2017, the meeting had a resolution to approve the reestablishment of the new subsidiary that is a joint venture between the Company and a local company to operate its business by providing Data Center, Cloud Services and other related services including to operate as an Internet Services Provider. This is with the permission of the relevant authorities. The registered capital amounted Baht 30,000,000 is divided 300,000 shares at Baht 100 per share. In this regard, the Company will hold 60 percent of the registered capital at the total value of Baht 18,000,000.

16. INVESTMENT PROPERTIES

The movements of investment properties for the years ended December 31, 2017 and 2016 comprise the following:

	Baht					
	Consolidated financial statements			Separate financial statements		
	Building			Building		
	Building	improvements	Total	Building	improvements	Total
For the year ended December 31, 2016						
Opening net book value	-	-	-	9,568	9,207,886	9,217,454
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
As at December 31, 2016						
Cost	-	-	-	4,802,889	10,356,153	15,159,042
Less: Accumulated depreciation	-	-	-	(4,802,049)	(3,137,044)	(7,939,093)
Net book value	-	-	-	840	7,219,109	7,219,949
For the year ended December 31, 2017						
Opening net book value	-	-	-	840	7,219,109	7,219,949
Additions	-	-	-	-	-	-
Depreciation charge (Note 33)	-	-	-	(802)	(2,076,862)	(2,077,664)
Closing net book amount	-	-	-	38	5,142,247	5,142,285
As at December 31, 2017						
Cost	-	-	-	4,802,889	10,356,153	15,159,042
Less: Accumulated depreciation	-	-	-	(8,802,851)	(5,213,906)	(10,016,757)
Net book value	-	-	-	38	5,142,247	5,142,285

Fair value of investment properties as at December 31, 2017 amount is Baht 6,168,569 (2016 : Baht 9,537,452).

The Group's management has estimated the fair value of investment properties as at December 31, 2017 and 2016 by using the discount cash flow projection method based on reliable estimates of future cash flows, supported by the terms of existing lease and other contracts and discounted by the company's weighted average cost of capital. (Fair value level 2)

As at December 31, 2017, the gross carrying amount of fully depreciated buildings that are still in used as included in the separate financial statements was Baht 4,784,889 (2016 : Baht 4,784,889).

Amounts recognised in the profit or loss that are related to investment properties are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Rental income				
Direct operating expense arising from investment property that generated rental income for the year	-	-	1,437,600	3,244,000
	-	-	2,077,664	2,076,505
Direct operating expense arising from investment property that did not generate rental income for the year	-	-	-	-

17. PROPERTY, PLANT AND EQUIPMENT

The net movements of property, plant and equipment for the years ended December 31, 2017 and 2016 comprise the following:

	Consolidated financial statements (Bath)						
	Land	Land for lease improvements	Building	Building for lease improvements	Furniture and fixtures and office equipment	Valuables	Construction in progress
As at January 1, 2016							
Cost	69,426,259	8,709,932	115,238,951	83,998,684	307,340,271	1,548,381	6,347,209
Surplus from revaluation	58,549,604	-	-	-	-	-	-
Less: Accumulated depreciation	-	(8,236,376)	(93,851,539)	(57,613,259)	(21,646,833)	(1,848,125)	-
Allowance for impairment of assets	-	-	-	-	-	-	-
Net book value	147,995,883	2,473,416	22,904,612	26,385,425	85,693,349	3	6,347,209
For the year ended December 31, 2016							
Opening net book value	147,995,883	2,473,416	22,904,612	26,385,425	85,693,349	3	6,347,209
Additions	-	35,130	-	7,267,810	9,483,700	-	8,478,208
Transfers in (out)	-	-	-	18,784,123	46,037,938	-	(63,822,061)
Disposal - cost	-	-	-	(271,195)	(6,138,330)	-	-
- accumulated depreciation	-	-	-	271,195	5,290,505	-	-
Depreciation charge (Note 33)	-	(1,637,821)	(18,467,637)	(13,732,385)	(39,716,461)	-	-
Closing net book value	147,995,883	2,218,725	29,436,922	39,702,669	118,732,411	3	21,150,353
As at December 31, 2016							
Cost	69,426,259	9,055,032	115,756,951	105,775,119	356,643,249	1,548,381	21,150,353
Surplus from revaluation	58,549,604	-	-	-	-	-	-
Less: Accumulated depreciation	-	(6,836,227)	(36,320,029)	(68,474,450)	(248,910,838)	(1,548,375)	-
Net book value	147,995,883	2,218,725	29,436,922	37,300,669	118,732,411	3	21,150,353

Consolidated financial statements (Rmb)

	Land	Land for lease improvements	Buildings	Building in lease improvements	Functional fixtures and equipment	Vehicle	Construction in progress	Total
For the year ended December 31, 2017								
Opening net book value	105,973,873	2,208,778	89,678,479	87,307,689	115,729,311	3	(11,166,361)	409,547,819
- Additions	-	180,000	2,355,873	12,211,521	52,566,170	-	8,009,172	54,430,840
- Transfers in (out)	-	-	16,912,474	10,875,756	9,357,275	-	(5,325,515)	-
Disposal - net	-	-	-	-	(69,967,750)	-	-	(69,967,750)
- Accumulated depreciation	-	-	-	-	59,869,911	-	-	59,869,911
Write-off total	-	-	-	-	115,112,480	-	-	(15,112,480)
- Accumulated impairment	-	-	-	-	14,307,175	-	-	14,307,175
Depreciation charge (Note 1.3)	-	(1,146,774)	(9,544,912)	(115,800,059)	(54,158,711)	-	-	(66,549,616)
Closing net book value	105,973,873	1,252,000	102,162,571	85,699,357	100,656,428	3	522,000	415,156,836
As at December 31, 2017								
Car	28,428,769	9,773,163	137,109,402	133,977,386	179,811,361	1,508,381	599,000	594,801,461
Scraps from resalvaged	54,249,622	-	-	-	-	-	-	54,249,622
Loss - accumulated depreciation	-	(8,020,952)	(31,864,473)	(75,364,579)	(217,295,013)	(1,348,578)	-	(254,393,499)
Allowance for impairment of year	-	-	-	-	-	-	-	-
Net book value	125,973,873	1,252,000	102,162,571	85,699,357	100,656,428	3	522,000	415,156,836

Separate financial statements (BRL)

	Land	Land for lease improvements	Buildings	Buildings for lease improvements	Furniture and fixtures and office equipment	Variables	Construction in progress	Total
As at January 31, 2016								
Cost	355,830,606	8,554,428	812,462,068	27,918,317	381,094,111	1,848,381	46,621,916	1,973,389,530
Impairment asset recognition	35,500,626	-	-	-	-	-	-	35,500,626
Less: Accumulated depreciation	-	(5,725,476)	(1,120,433,411)	(40,941,845)	(709,671,252)	(1,349,146)	-	(1,587,191,160)
At January 31, 2016	105,325,180	2,828,952	691,338,657	26,976,472	311,422,859	499,235	46,621,916	1,902,165,369
For the year ended December 31, 2016								
Opening net book value	105,325,180	2,828,952	691,338,657	26,976,472	311,422,859	499,235	46,621,916	1,902,165,369
Acquisitions	-	353,100	-	2,158,510	31,270,882	-	5,005,600	39,787,102
Transfers in (out)	-	-	-	2,758,820	3,220,352	-	(3,815,172)	-
Disposal - cost	-	-	-	(271,138)	(6,136,320)	-	-	(6,407,458)
- accumulated depreciation	-	-	-	271,137	5,250,202	-	-	5,521,339
Depreciation charge (Note 15)	-	(1,677,201)	(4,318,319)	(10,233,455)	(23,226,923)	-	-	(39,455,908)
Closing net book value	105,325,180	1,504,851	687,020,338	28,466,429	339,386,917	499,235	46,621,916	1,902,165,369
As at December 31, 2016								
Cost	355,830,606	8,554,428	812,462,068	27,918,317	381,094,111	1,848,381	46,621,916	1,973,389,530
Impairment asset recognition	35,500,626	-	-	-	-	-	-	35,500,626
Less: Accumulated depreciation	-	(5,725,476)	(1,120,433,411)	(40,941,845)	(709,671,252)	(1,349,146)	-	(1,587,191,160)
At December 31, 2016	105,325,180	2,828,952	691,338,657	26,976,472	311,422,859	499,235	46,621,916	1,902,165,369

Statement of Financial Assets (BRL)

	Land	Leasehold improvements	Building	Furniture and equipment	STAFFHOUSE	Construction in progress	Total
					Business and office equipment		
For the year ended December 31, 2017							
Opening net book value	109,356,000	3,218,775	55,105,772	25,456,629	52,181,297	1,752,716	207,091,492
Additions	-	180,000	-	3,638,837	11,705,225	6,265,173	21,609,235
Transfers to land	-	-	-	1,038,825	6,219,564	57,307,889	-
Disposal - cost	-	-	-	-	135,456,160	-	135,456,160
- accumulated depreciation	-	-	-	-	87,850,777	-	87,850,777
Depreciation charge (Note 31)	-	1,146,758	16,978,245	110,711,345	17,199,408	-	146,035,756
Closing net book value	109,356,000	4,365,033	80,738,728	19,452,548	48,010,465	520,000	238,402,771
As at December 31, 2017							
Cost	90,376,348	8,777,009	81,728,767	87,129,371	712,294,468	520,000	1,054,825,963
Surplus from liquidation	88,549,604	-	-	-	-	-	88,549,604
Less accumulated depreciation	-	15,230,952	130,910,135	162,658,005	115,724,224	61,348,980	420,828,313
Net book value	109,356,000	4,365,033	80,738,728	19,452,548	48,010,465	520,000	238,402,771

As at December 31, 2017, land including construction of the Company with net book value amounting to Baht 157,069,312 (As at December 31, 2016 : Baht 160,816,567) was pledged as guarantee against the loan from the financial institutions (Notes 21 and 23).

As at December 31, 2017, land which is presented in the consolidated and separate financial statements, under the cost method amounted to Baht 50,816,396 and Baht 50,816,396 (As at December 31, 2016 : Baht 50,816,396 and Baht 50,816,396 respectively). The revaluation surplus was Baht 58,549,604 and Baht 58,549,604 (As at December 31, 2016 : Baht 58,549,604 and 58,549,604 respectively).

As at December 31, 2017 and 2016, the fair value of land is assessed using the market approach by an independent professionally qualified valuer, who has experience in the location and type of land (Level 2 of fair value hierarchy). There were no changes in the valuation technique during the period.

As at December 31, 2017, the gross carrying amounts of fully depreciated plant and equipment that are still in use as included in the consolidated and separate financial statements were Baht 175,408,240 and Baht 175,308,724 (As at December 31, 2016 : Baht 165,190,968 and Baht 159,676,528), respectively.

Depreciation for the years ended 31 December 2017 and 2016 comprised the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Selling expenses	23,792,577	28,733,992	21,227,439	28,698,602
Administrative expenses	48,379,644	29,820,345	20,153,681	20,805,926
	72,172,221	58,554,337	43,381,120	49,504,528

As December 31, 2017 and 2016, leased assets under the financial lease agreement, where the Group is the lessee, comprise vehicle, furniture and fixtures, office equipment and computer equipment as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost	552,000	24,274,100	-	10,349,100
Less: Accumulated depreciation	(55,049)	(12,168,823)	-	(4,965,974)
Net book value	496,951	12,105,277	-	5,383,126

18. INTANGIBLE ASSETS

Intangible assets represent computer software. The movements of intangible assets for the years ended December 31, 2017 and 2016 comprise the following:

	Baht	
	Consolidated financial statements	Separate financial statements
As at January 1, 2016		
Cost	106,289,899	76,062,840
Less Accumulated amortization	(43,698,285)	(40,068,415)
Net book value	62,591,614	35,994,425
For the year ended December 31, 2016		
Opening net book value	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	(14,490,612)	(11,063,573)
Closing net book value	69,593,225	38,553,175
As at December 31, 2017		
Cost	115,273,782	77,127,472
Less Accumulated amortization	(45,680,557)	(38,574,297)
Net book value	69,593,225	38,553,175
For the year ended December 31, 2016		
Opening net book value	69,593,225	38,553,175
Additions	10,318,000	9,494,000
Disposal - cost	(843,100)	(843,100)
- accumulated amortisation	572,014	572,014
Amortization charge	(17,462,059)	(12,559,822)
Closing net book value	62,178,080	35,216,267
As at December 31, 2017		
Cost	124,748,682	85,778,372
Less Accumulated amortization	(62,570,602)	(50,562,105)
Net book value	62,178,080	35,216,267

Amortisation for the years ended December 31, 2017 and 2016 comprises the following:

	Rsd			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Selling expenses	2,497,336	2,079,449	1,989,293	1,028,147
Administrative expense	14,964,725	12,411,165	10,550,619	9,035,426
	17,462,059	14,490,612	12,539,912	11,063,573

19. DEFERRED INCOME TAXES

Deferred income taxes (net) as at December 31, 2017 and 2016 comprises the following:

	Rsd			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets:				
Deferred tax assets to be recovered				
- within 12 months	2,500,000	5,344,000	-	2,349,323
- more than 12 months	69,282,246	57,290,294	43,383,888	30,344,549
Total deferred tax assets	71,782,246	62,634,294	43,383,888	32,693,870
Deferred tax liabilities:				
Deferred tax liabilities to be settled				
- within 12 months	(1,351,348)	(1,661,333)	(704,348)	(1,104,533)
- more than 12 months	(13,073,633)	(13,351,667)	(11,709,071)	(13,478,339)
Total deferred tax liabilities	(14,425,071)	(14,983,000)	(12,413,419)	(14,582,872)
Deferred tax assets (net)	58,357,175	47,651,294	30,970,469	18,111,009

On January 22, 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 January 1, 2016. Therefore, deferred tax has been measured using tax rate of 20%. This Act had already been published in the Royal Gazette on March 4, 2016.

The movement of deferred taxes for the years ended December 31, 2017 and 2016 comprises the following:

	Rsd			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Opening balance	47,651,095	42,812,819	19,111,109	16,518,531
Increase/(decrease) to the profit or loss (Note 55)	11,233,234	4,318,438	12,166,795	2,592,578
Increase/(decrease) to other comprehensive income	(527,154)	114,838	(392,185)	-
Closing balance	58,357,175	47,651,095	30,875,719	19,111,109

	Baht		
	Consolidated financial statements		
	Debit (credit) to		As at December 31, 2017
	As at January 1, 2017	Profit or loss Other comprehensive income	
Deferred tax assets:			
Allowance for doubtful accounts	8,914,550	1,283,037	-
Allowance for doubtful account receivable disposal investments	-	925,667	-
Allowance for obsolete and slow-moving inventories	2,478,499	(187,794)	-
Allowance for inventory cost in excess of net realisable value	57,249	(11,899)	-
Discount from purchase of business under common control recognised as intangible assets for tax purpose	18,705,479	(2,500,000)	-
Difference between accounting base and tax base from - value of property, plant and equipment	3,522,409	(546,829)	-
- other intangible assets	2,843,530	(2,843,530)	-
Liabilities under financial lease and hire-purchase agreements (net)	696,716	(696,716)	-
Provision for goods returned	88,450	47,712	-
Employee benefit obligations	3,693,266	176,317	(449,690)
Taxable loss carried forward	21,634,146	13,951,677	-
Total deferred tax assets	62,634,294	9,597,642	(449,690)
Deferred tax liabilities:			
Surplus from land revaluation	(11,709,921)	-	-
Gain on measurement of available-for-sale investments	(56,008)	-	(77,464)
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(3,217,270)	1,635,592	-
Total deferred tax liabilities	(14,983,199)	1,635,592	(77,464)
Deferred tax assets (net)	47,651,095	11,233,234	(527,154)

	Baht			
	Consolidated financial statements			
	Debit (credit) to			
		Other		
	As at January	comprehensive		As at December
	1, 2016	Profit or loss	income	31, 2016
Deferred tax assets:				
Allowance for doubtful accounts	7,979,612	934,938	-	8,914,550
Allowance for doubtful account receivable				
disposal investments	-	-	-	-
Allowance for obsolete and slow-moving inventories	2,622,086	(143,587)	-	2,478,499
Allowance for inventory cost in excess of net				
realisable value	46,818	10,431	-	57,249
Discount from purchase of business under common				
control recognised as intangible assets for tax purpose	21,205,479	(2,500,000)	-	18,705,479
Difference between accounting base 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 financial lease and hire-purchase				
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
Total deferred tax assets	59,586,425	3,047,869	-	62,634,294
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Gain on measurement of available-for-sale investments	(170,846)	-	114,838	(56,008)
Assets and intangible assets under financial lease				
and hire-purchase agreements (net)	(4,887,839)	1,670,569	-	(3,217,270)
Total deferred tax liabilities	(16,768,606)	1,670,569	114,838	(14,983,199)
Deferred tax assets (net)	42,817,819	4,718,438	114,838	47,651,095

	Baht			
	Separate financial statements			
	Debit (credit) to			
			Other	
	As at January	Profit or loss	comprehensive	As at December
	1, 2017		income	31, 2017
Deferred tax assets:				
Allowance for doubtful accounts	8,914,550	1,283,037	-	10,197,587
Allowance for obsolete and slow-moving inventories	2,474,921	(184,216)	-	2,290,705
Allowance for inventory cost in excess of net realisable value	57,249	(11,899)	-	45,350
Difference between accounting base and tax base from useful lives of intangible asset	2,843,530	(2,843,530)	-	-
Liabilities under financial lease and hire-purchase agreements (net)	202,039	(202,039)	-	-
Provision for goods returned	88,450	47,712	-	136,162
Employee benefit obligations	2,622,927	5,018	(392,185)	2,235,760
Taxable loss carried forward	15,490,204	12,988,120	-	28,478,324
Total deferred tax assets	32,693,870	11,082,203	(392,185)	43,383,888
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(1,872,840)	1,078,592	-	(794,248)
Total deferred tax liabilities	(13,582,761)	1,078,592	-	(12,504,169)
Deferred tax assets (net)	19,111,109	12,160,795	(392,185)	30,879,719

	Date			
	Separate financial statements			
	Deferred credits to			
	As at January	Profit or loss	Other	As at December
	1, 2016		comprehensive	31, 2016
			income	
Deferred tax assets:				
Allowance for doubtful accounts	3,979,612	924,928	-	8,914,550
Allowance for obsolete and slow-moving inventories	2,022,066	(147,165)	-	2,474,921
Allowance for inventory cost in excess of net realizable value	46,818	(9,431)	-	57,249
Difference between accounting base and tax base from useful lives of intangible asset	2,906,756	(66,226)	-	2,840,530
Liabilities under financial lease and hire-purchase agreements (net)	1,174,059	(972,611)	-	202,039
	144,820	(56,170)	-	88,450
Provision for goods returned	3,334,144	398,783	-	2,622,927
Employee benefit obligations	14,112,575	1,376,629	-	15,490,204
Taxable loss carried forward	21,214,861	1,519,009	-	32,693,870
Total deferred tax assets				
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(2,986,409)	1,113,569	-	(1,872,840)
Total deferred tax liabilities	(14,696,330)	1,113,569	-	(13,582,761)
Deferred tax assets (net)	16,518,531	2,305,578	-	19,111,109

20. OTHER NON-CURRENT ASSETS

	Rahr			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deposits guaranteed for				
- rental	25,819,372	23,677,428	24,025,382	21,426,128
- airline rental				
- other companies	-	4,249,000	-	-
- related companies (Note 37 c))	-	-	-	4,368,848
- others	10,030,145	8,734,940	9,037,145	8,123,340
Others	4,328,385	2,665,643	1,220,958	2,857,143
	40,205,102	38,708,011	34,283,685	37,974,659

21. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Rahr			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Type of short-term loans				
Promissory notes	140,000,000	110,000,000	140,000,000	110,000,000
Letter of credit / Trust receipts	119,247,607	274,781,342	119,247,607	274,781,342
	259,247,607	384,781,342	259,247,607	384,781,342

As at December 31, 2017 and 2016, the outstanding bank overdrafts and short-term loans from the financial institutions were as follows:

Consolidated financial statements / Separate financial statements

Security name	Currency	Amount		Unit or Unit equivalent		Interest rate (% per annum)		Due for payment		Cleared	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Promissory notes								January 2018	January 2017	↑	↑
	BRL	146,000,000	110,000,000	146,000,000	110,000,000	4.10 - 4.40	4.40 - 4.75	to March 2018	to February 2017		
Letter of credit-trust receipts								January 2018	January 2017	- Fixed deposits	- Fixed deposits
	BRL	118,710,900	231,888,553	118,710,900	231,888,553	2.45 - 4.20	2.20 - 4.00	to May 2018	to May 2017	(Note 13)	(Note 13)
	USD	6,343	350,343	536,807	21,331,213	3.50	2.15 - 2.67	April 2018	to May 2017	Term including construction	Term including construction
	EUR	-	598,691	-	21,561,577	-	2.10 - 2.56	-	to April 2017	(Note 13)	(Note 13)
				<u>259,247,607</u>	<u>384,281,340</u>						

As at December 31, 2017 and 2016, credit facilities from 5 financial institutions and 4 financial institutions, respectively, consist of :

Type	Million Baht	
	2017	2016
<u>Company</u>		
Bank overdrafts	50	50
Bank overdrafts (buyer credit)	20	20
Short-term loans - promissory notes	110	110
Letter of credit/trust receipts	505	505
Letter of bank guarantees	55	55
Foreign currencies forward contracts	430	505
Total credit lines	1,170	1,245
Less Used credit lines	(336)	(527)
Total unused credit lines	834	718
<u>Subsidiaries</u>		
Unused credit lines	10	10

22. TRADE AND OTHER ACCOUNTS PAYABLE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts payable - other companies	354,735,971	298,468,094	175,339,145	133,586,31
- related parties				
(Note 37 c))	-	-	5,847,086	6,848,21
Other accounts payable - other companies	11,832,701	29,488,734	13,059,656	24,172,09
- related parties				
(Note 37 c))	35,000,000	374,315	3,911,870	15,960,11
Accounts payable from purchase of				
- equipment	-	2,067,019	-	1,017,21
- intangible assets	-	2,978,623	-	1,972,81
Accrued expenses				
- Accrued broadcasting right for series	-	10,000,000	-	10,000,00
- Accrued NBTC fee	777,356	2,146,792	-	-
- Accrued bonus	3,635,344	2,173,232	-	-
- Dividend payable	235,517	236,571	235,517	236,51
- Accrued warehouse management & distribution expenses	14,347,375	10,182,433	18,986,814	10,182,41
- Accrued service expenses	698,301	772,683	480,015	772,61
- Accrued marketing expenses	216,065	589,789	216,065	589,71
- Accrued commission expenses	8,059,144	6,997,502	4,343,691	4,303,61
- Accrued consulting expenses	126,065	1,667,965	126,065	105,91
- Accrued postage	66,977	1,175,995	66,977	1,175,91
- Accrued telephone expense	3,516,294	3,157,214	3,515,694	3,157,21
- Accrued directors' remuneration expense				
(Note 37 c))	-	8,000,000	-	4,000,00
- Other accrued expenses	14,372,658	12,214,194	6,554,841	11,325,71
Accrued interest expense - financial institution	439,717	1,134,229	439,717	1,134,21
- related parties (Note 37 c))	-	-	38,219	-
Advances received from customers	348,477	8,674,849	334,896	1,675,41
Cash waiting for return to customers	-	161,469	-	161,41
Revenue received in advance	5,503,723	45,780	-	-
Post dated cheques paid	3,452,290	224,274	-	-
	457,363,975	402,931,756	233,496,268	232,378,21

23. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

The movement of long-term loans from financial institutions for the years ended December 31, 2017 and 2016 comprises:

	Baht	
	Consolidated/Separate financial statements	
	2017	2016
Balance as at January 1,	29,194,492	51,426,045
Additions	32,500,000	-
Repayment of the loans	(25,370,736)	(22,231,553)
Balance as at December 31,	36,323,756	29,194,492
Less: Current portion due within 1 year	(11,988,287)	(25,431,177)
	24,335,469	3,763,315

As at December 31, 2017 and 2016, the Group has long-term loans from 2 local financial institutions in Thai Baht as follows:

- On March 1, 2012, the Group entered into a long-term loan 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 loan 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 installments of Baht 2,030,000 each, commencing August 2013. The Group has mortgaged its lands (Note 17) to secure the loan. As at December 30, 2017, the loan under the loan agreement has an outstanding amount of Baht 5,750,329 (As at December 31, 2016: Baht 29,194,492). There is no loan restriction related to maintaining the financial ratio from the bank.

- On July 13, 2017, the Company entered into a long-term loan agreement with a local commercial bank at the total amount of Baht 32.50 million for investment in a new subsidiary "3-RD Co.,Ltd." and interest rate at MLR -1% to MLR - 1.25 % per annum. Repayment of the principal and interest are 60 equal monthly installments of Baht 630,000 each, commencing August 2017. The loan is secured by partial land and buildings of the Company.

As at December 31, 2017 and 2016, the fair values of long-term loans 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.

24. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Liabilities under financial lease and hire-purchase agreements	414,000	3,863,675	-	1,351,282
Less: Future finance charges on financial lease and hire-purchase agreements	(17,262)	(52,141)	-	(13,133)
	396,738	3,811,534	-	1,338,149
Less: Current portions of liabilities under financial lease and hire-purchase agreements (net)	(260,967)	(3,811,534)	-	(1,338,149)
	135,771	-	-	-

As at December 31, 2017, a subsidiary has engaged in 1 outstanding financial lease agreement, with one local company to acquire computer, office equipment and vehicle. The repayments are 24 equal monthly installments until 2019. The assets ownership transfer shall be made after the final installment.

Minimum payments to be made for the financial and hire-purchase agreements are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Due for payment within				
1 year	276,000	3,863,675	-	1,351,282
1 year - 5 years	138,000	-	-	-
	414,000	3,863,675	-	1,351,282

25. OTHER CURRENT LIABILITIES

	Bath			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Withholding tax payable	4,337,390	4,610,644	2,811,255	2,770,152
Social security payable	1,245,985	1,621,265	946,734	1,018,306
Provision for goods returned	680,808	476,104	680,808	443,348
Retention payable	-	1,781,584	-	193,209
Others	(249,334)	750,664	(424,855)	971,474
	6,034,849	9,269,661	4,003,909	5,403,289

26. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at December 31, 2017 and 2016 comprise the following:

	Bath			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Post-employment benefits	11,863,154	10,847,193	8,279,575	8,645,203
Other long-term employee benefits	5,232,294	7,619,136	2,899,227	4,469,431
	17,095,448	18,466,329	11,178,802	13,114,634

Employee benefit expenses for the years ended December 31, 2017 and 2016 comprise the following:

	Bath			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Post-employment benefits				
- current service cost	2,975,703	3,081,147	1,875,115	1,890,412
- interest cost	224,080	325,382	155,676	209,872
	3,199,783	3,406,529	2,030,791	2,100,284

During 2016, 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:

	2017		2016	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Discount rate (%)	2.33% - 3.25%	2.33%	3.39%	3.39%
Future salary increases (%)	5.00%	5.00%	0.00% - 5.00%	0.00% - 5.00%
Turnover rate (%)	0.00% - 67.00%	0.00% - 67.00%	0.00% - 46.99%	0.00% - 46.99%

Sensitivity analysis for each significant assumption is as follows:

Change in assumption		Increase (decrease) to employee benefit obligations			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Discount rate	Increase by 1%	(929,760)	(1,048,453)	(566,628)	(597,618)
Discount rate	Decrease by 1%	1,037,171	1,194,214	632,600	680,702
Future salary increases	Increase by 1%	972,515	1,355,551	609,969	772,664
Future salary increases	Decrease by 1%	(898,920)	(1,199,210)	(552,006)	(683,550)
Turnover rate	Increase by 1%	(1,096,780)	(1,204,402)	(665,104)	(686,509)
Turnover rate	Decrease by 1%	759,910	817,832	448,537	466,164

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, the projected unit credit method is used.

27. WARRANTS

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

As at December 31, 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	: July 14, 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 28). The Company registered the increase in paid-up share capital with Ministry of Commerce on July 27, 2016.

As at December 31, 2017 and 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.

28. SHARE CAPITAL AND PREMIUM ON SHARE

	Consolidated/Separate financial statements			
		Baht		
	Number of share	Ordinary share	Share premium	Total
Registered share capital				
As at January 1, 2016	682,500,070	341,250,035	-	341,250,035
Increase in registered share capital	-	-	-	-
As at December 31, 2016	682,500,070	341,250,035	-	341,250,035
Increase in registered share capital	-	-	-	-
As at December 31, 2017	682,500,070	341,250,035	-	341,250,035

	Consolidated/Separate financial statements			
		Baht		
	Number of share	Ordinary share	Share premium	Total
Issued and fully paid-up share capital				
As at January 1, 2016	649,988,443	324,994,222	465,065,524	790,059,746
Share premium used to compensate the deficits	-	-	(42,674,135)	(42,674,135)
Warrant exercised (Note 27)	304,907	152,453	604,326	756,779
As at December 31, 2016	650,293,350	325,146,675	422,995,715	748,142,390
Increase in registered share capital	-	-	-	-
As at December 31, 2017	650,293,350	325,146,675	422,995,715	748,142,390

At the 2016 Annual General Meeting of Shareholders held on April 28, 2016, the shareholders approved the allocation of legal reserve of Baht 24,390,707 (Note 30) and share premium of Baht 42,674,135 to compensate the accumulated losses as at December 31, 2015 amount of Baht 67,064,842.

As at December 31, 2017 and 2016, the total authorised number of ordinary shares is 682,500,070 shares with a par value of Baht 0.50 per share. The registered ordinary shares of 650,293,350 shares are issued and fully paid-up.

29. DIVIDEND PAYMENT AND LEGAL RESERVE

Company

At the Board of Directors' Meeting No. 7/2016 held on June 16, 2016, the board of directors approved the interim dividend payment for the result of operations from January 1, 2016 to March 31, 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 July 15, 2016.

Subsidiaries

2017

According to the Board of Directors' Meeting No. 3/2017 of TVD Shopping Co., Ltd. "subsidiary" dated August 9, 2017, the meeting had approved the resolution to pay the interim dividend from retained earnings as at June 30, 2017 to the shareholders at Baht 0.44 per share, total amount of Baht 38,950,000 and set aside as legal reserve at 5% of retained earnings as at June 30, 2017 in the amount of Baht 2,050,000. The payment of dividend is scheduled on August 30, 2017.

According to the Board of Directors' Meeting No.8/2017 of TVD Services Co., Ltd. "subsidiary" dated August 7, 2017, the meeting had approved to pay the interim dividend from retained earnings as at June 30, 2017 to the shareholders at Baht 17.50 per share in the total amount of Baht 7,000,000 and set aside as legal reserve at 5% of retained earnings as at June 30, 2017 in the amount of Baht 406,191. The payment of dividend is scheduled on August 18, 2017.

2016

At the Board of Directors' Meeting No. 2/2016 held on April 6, 2016 of TVD Shopping Co., Ltd. ("subsidiary"), the board of directors approved to pay interim dividend from retained earnings as at March 31, 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 March 31, 2016 totalling Baht 4,500,000. Dividend is paid to shareholders on April 25, 2016.

At the Board of Directors' Meeting No. 5/2016 held on September 30, 2016 of TVD Shopping Co., Ltd. ("subsidiary"), the board of directors approved to pay interim dividend from retained earnings as at June 30, 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 retained earnings as at June 30, 2016 totalling Baht 1,300,000.

30. LEGAL RESERVE

	Baht	
	Consolidated/Separate financial statements	
	2017	2016
Opening balance	3,802,569	24,390,707
Deduction of accumulated loss (Note 28)	-	(24,390,707)
Appropriation during the year	-	3,802,569
Closing balance	3,802,569	3,802,569

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.

31. NON-CONTROLLING INTEREST

	Bath	
	Consolidated/Separate financial statements	
	2017	2016
Opening balance	158,386,989	176,109,277
Increase from acquisition of investment in subsidiaries	6,166,125	-
Set up new subsidiaries	9,000,000	-
Reduction of the capital in subsidiaries	(35,000,000)	-
Share of net profit (loss) of subsidiary	10,366,860	24,586,518
Change in portion of investment in subsidiaries (Note 15)	-	(3,738,802)
Dividend payment to non-controlling interest	(13,632,536)	(38,570,004)
Disposal of investment in subsidiaries (Note 15)	(4,106,808)	-
Ending balance	131,180,630	158,386,989

32. OTHER INCOME

	Bath			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Dividend income (Note 37 a))	-	-	32,317,464	71,629,996
Service income from subsidiaries (Note 37a))	-	-	55,385,608	49,445,597
Refunded import duty	-	6,074,364	-	6,074,364
Gain from disposals of				
- held-to-maturity investments (Note 9)	56,535	60,347	-	-
- available-for-sale investments (Note 8)	1,553,525	1,536,923	-	-
Interest income from				
- held-to-maturity investments (Note 9)	2,834,263	6,103,795	-	-
- financial institutions	950,628	2,118,304	589,235	659,605
- related companies (Note 37a))	-	-	675,589	351,737
Reversal of				
- accounts payable which are free of payment	-	7,479,434	-	6,962,841
- loans which are free of payment (Note 37g))	-	2,560,000	-	-
Others	10,890,946	6,372,717	15,267,622	5,838,728
	16,285,897	32,305,884	104,235,518	140,962,868

33. EXPENSES BY NATURE

	Bath			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in finished goods and supplies	126,682,692	64,828,657	109,070,928	71,247,957
Purchases of finished goods	(1,444,947,488)	(1,554,931,224)	(811,296,939)	(907,509,204)
Advertising airtime media rental expense	(418,736,710)	(415,085,220)	(350,670,493)	(332,966,236)
Advertising and printing media production expense	(154,340,982)	(180,190,221)	(145,871,830)	(270,423,267)
Sales/Trust expense	(505,948,294)	(474,699,616)	(252,071,181)	(270,620,447)
Distribution expense	(201,773,870)	(120,398,272)	(179,749,447)	(120,398,272)
Space and warehouse rental expense	(65,761,355)	(45,532,953)	(32,755,180)	(44,471,962)
Public utility expense	(54,800,274)	(46,435,490)	(40,440,921)	(41,906,064)
Depreciation and amortisation (Note 16, 17 and 18)	(93,939,422)	(73,044,949)	(55,292,090)	(62,644,606)
Organizing fee expense	(1,915,876)	(3,662,465)	(1,243,370)	(2,924,715)

34. FINANCE COSTS

	Daht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Interest expense from:				
- borrowings	(15,197,647)	(12,870,418)	(14,535,330)	(12,786,141)
- liabilities under financial arrangements	(33,450)	(458,178)	(17,713)	(211,569)
Net gain (loss) from exchange rate (Note 21)				
- realized	3,892,720	(281,501)	3,893,720	(281,501)
- unrealized	(1,392)	1,890,733	1,392	1,890,733
	(11,336,764)	(11,719,364)	(10,647,614)	(11,388,471)

35. INCOME TAX

Reconciliation of income tax expenses for the years ended December 31, 2017 and 2016 comprises:

	Balt			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax :				
Current income tax on taxable				
profit for the period	(2,992,129)	(15,293,326)	-	-
Income tax refundable written - off	-	(1,296,052)	-	(1,226,981)
	(2,992,129)	(16,589,378)	-	(1,226,981)
Deferred income tax : (Note 19)				
Origination of temporary differences	11,233,234	4,718,438	12,160,795	2,592,578
Income tax income (expense)	8,241,105	(11,870,940)	12,160,795	1,365,597

	Balt			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit (loss) before tax accounting base	(63,820,662)	50,985,328	(47,568,632)	47,973,053
Tax calculated at a tax rate of 20%	12,764,132	(10,197,066)	9,513,726	(9,594,611)
Tax effect of:				
Exemption of taxable income	1,967,438	-	6,463,493	14,326,000
Non-deductible expenses for tax purpose				
(additional deductible expenses for				
tax purpose)	(753,559)	(914,325)	(3,816,424)	(2,138,811)
Tax losses of subsidiaries for which				
no deferred income tax asset was				
recognised	(5,736,906)	536,503	-	-
Income tax refundable written-off	-	(1,296,052)	-	(1,226,981)
Income tax income (expense)	8,241,105	(11,870,940)	12,160,795	1,365,597

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 financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit (loss) attributable to shareholders of the parent company (Baht)	(65,856,874)	14,358,886	(35,407,836)	49,338,650
Weighted average number of ordinary shares (Shares)	650,293,350	650,119,236	650,293,350	650,119,236
Basic earnings (loss) per share (Baht per share)	(0.10127)	0.02209	(0.05445)	0.07589

36.2 Diluted earnings (loss) per share

The diluted earnings (loss) per share is calculated by 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. 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. This calculation defines the number of ordinary shares to be added and ordinary shares held by outside party in calculating diluted earnings (loss) per share. No adjustment is made to earnings (loss).

During 2016, 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. Therefore, there is no diluted earnings (loss) per share for the year 2016. However, such warrants had expired on July 14, 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 15.

Relationship between company and related parties:

Related company name	Nationality	Relationship
TVD Shopping Co., Ltd.	Thailand	Subsidiary
TVD Services Co., Ltd.	Thailand	Subsidiary
Last Mile Direct (Thailand) Co., Ltd.	Thailand	Subsidiary
TVD Broker Co., Ltd.	Thailand	Subsidiary
Magik Pivot Co., Ltd.	Thailand	Subsidiary
3-RD Co., Ltd.	Thailand	Associate
John Mills Ltd.	England	Shareholder of Last Mile Direct (Thailand) Co., Ltd. to December 20, 2016
momo.com Inc.	Taiwan	Shareholder of TVD Shopping Co., Ltd.

The following significant transactions were carried out with related parties as follows:

a) Sale of goods and services and others for the years ended December 31, 2017 and 2016

	Bath			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Sales of goods				
Subsidiaries	-	-	6,289,745	33,534,127
Rental income				
Subsidiaries	-	-	1,437,600	3,244,000
Service income				
Subsidiaries	-	-	55,385,608	49,445,597
Interest income				
Subsidiaries	-	-	675,589	351,737
Dividend income				
Subsidiaries	-	-	32,317,464	71,629,996

b) Purchases of goods and services and others for the years ended December 31, 2017 and 2016

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Purchase of goods				
Subsidiaries	-	-	12,822,361	839,244
Purchase of service				
Subsidiaries	-	-	1,283,324	2,076,505
Purchase of airtime for television broadcast				
Subsidiaries	-	-	60,266,700	65,719,449
Delivery expense				
Subsidiaries	-	-	116,085,482	-
Warehouse management & distribution				
Subsidiaries	-	-	26,583,209	-
Service marketing expense				
Subsidiaries	-	-	463,240	702,056
Management fee				
Subsidiaries	-	-	51,087,209	77,745,151
Other expenses				
Subsidiaries	-	-	1,608,048	510,769
Interest expense				
Subsidiaries	-	-	155,342	11,986

c) Outstanding balance arising from sales/purchases of goods/services and others as at December 31, 2017 and 2016

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts receivable (Note 10)				
Subsidiaries	-	-	6,766,974	3,659,492
Other accounts receivable (Note 10)				
Subsidiaries	-	-	80,756	418,351
Related persons	-	1,420	-	-
	-	1,420	80,756	418,351
Accrued income (Note 10)				
Subsidiaries	-	-	302,000	11,800,704
Interest receivable (Note 10)				
Subsidiaries	-	-	12,230	12,230
Associate	61,575	-	61,575	-
	61,575	-	73,805	12,230
Advance payment (Note 10)				
Subsidiaries	-	-	-	6,453
Related companies	-	1,508,917	2,949,669	-
	-	1,508,917	2,949,669	6,453
Deposits guaranteed for airtime rental (Note 20)				
Subsidiaries	-	-	-	4,368,048
Trade accounts payable (Note 22)				
Subsidiaries	-	-	(5,847,086)	(6,848,294)
Other accounts payable (Note 22)				
Subsidiaries	-	-	(3,911,870)	(15,585,827)
Related persons	(35,000,000)	(374,315)	-	(374,315)
	(35,000,000)	(374,315)	(3,911,870)	(15,960,142)
Accrued directors' remuneration expense (Note 22)				
Directors	-	(8,000,000)	-	(4,000,000)
Accrued interest expense (Note 22)				
Subsidiaries	-	-	(38,219)	-

d) Short-term loan to a subsidiary as at December 31, 2017 and 2016 :

Separate financial statements				
As at December 31, 2017 (Baht)				
Short-term loan to a subsidiary	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 10)	Total
Last Mile Direct Co., Ltd.	3%	4,800,000	12,230	4,812,230

Separate financial statements				
As at December 31, 2016 (Baht)				
Short-term loan to a subsidiary	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 10)	Total
Last Mile Direct Co., Ltd.	3%	4,800,000	12,230	4,812,230

Outstanding short-term loan to the subsidiary represents unsecured loan denominated in Thai Baht. The loan is due at call.

e) Short-term loan to associate as at December 31, 2017 :

Consolidated/Separate financial statements				
As at December 31, 2017 (Baht)				
Short-term loan to associate	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 10)	Total
3-RD Co., Ltd.	5%	14,500,000	61,575	14,561,575

Outstanding short-term loan to the associate represents unsecured loan denominated in Thai Baht. The loan is due for repayment within 1 year.

f) Short-term loan from related parties as at December 31, 2017

Outstanding short-term loan from related persons is the promissory note denominated in Thai Baht. The loan is due at call.

Separate financial statements (Baht)				
As at December 31, 2017				
Short-term loan from subsidiary	Interest rate (% per annum)	Short-term loan	Prepaid interest	Total
TVD services Co., Ltd.	2%	15,000,000	13,219	15,033,219

Outstanding short-term loan from a related company is the promissory note and due at call.

g) Directors and management's remuneration for the years ended December 31, 2017 and 2016

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Directors' remuneration	2,543,333	3,350,000	1,590,000	1,830,000
Management's remuneration				
Short-term employee benefits	25,370,600	25,026,403	15,982,054	18,064,379
Post-employment benefits	2,116,124	1,508,376	1,392,155	1,311,127
Other long-term employee benefits	261,539	8,006	114,430	-
	30,231,596	30,772,605	19,078,648	21,205,506

38. Financial instruments

a) Foreign currency exchange rate risk

At December 31, 2017 and 2016, 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		2017	2016
	2017	2016	2017	2016	Baht	Baht
USD	230.146	598.891	32.92	35.20-36.12	7,576,404	21,413,222
EUR	-	559.343	-	38.20-39.10	-	21,860,129

Net fair values

The net fair values of the derivative financial instruments as at December 31, 2017 and 2016 were:

	Baht	
	Consolidated/Separate financial statements	
	2017	2016
Payable (arises on) for forward foreign currency exchange contracts	79,034	538,091

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 December 31, 2017 and 2016.

b) Interest rate risk

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at December 31, 2017 and 2016 are summarised as follows:

Consolidated financial statements

	2017						
	Total						
	Assets						
	Fixed Interest						
	Remaining period						
	Before maturity date						
Floating Interest	maturity date		Weighted	Yield rate (5 years period)			
Rate	Less than 1 year	1 - 5 years	Interest	Total	Fluctuates	Fixed rate	
Financial assets							
Cash and cash equivalents	-	210,991,170	-	11,945,449	211,936,619	0.125% - 0.75%	-
Available-for-sale investments	-	-	-	141,940,535	141,940,535	-	-
Trade and other accounts receivable (net)	-	-	-	151,759,733	151,759,733	-	-
Short-term loans receivable	-	11,900,000	-	-	11,900,000	-	6.51%
Restricted deposits with financial institutions	-	-	11,000,000	-	11,000,000	0.65% - 0.41%	-
Total financial assets	-	222,891,170	11,000,000	264,685,687	526,576,887		
Financial liabilities							
Banks credit line and short-term loans from financial institutions	259,241,600	-	-	-	259,241,600	MLR 2.00% to 2.00% and MLR 1.10% to 2.00%	-
Short-term loan from a related party	-	-	-	-	-	-	-
Trade and other accounts payable	-	-	-	415,602,205	415,602,205	-	-
Long-term loans from financial institutions	-	11,900,000	14,235,465	-	26,135,465	MLR 1.25%	-
Liabilities under finance lease agreements	-	391,625	135,551	-	527,176	-	6.41%
Total financial liabilities	259,241,600	12,291,625	14,371,016	415,602,205	724,511,391		

Consolidated financial statements

	2016						
	Total						
	Fixed interest rate						
	Floating interest						
	Remaining period						
	Before maturity date						
	Floating interest	maturity date		Weighted		Interest rate (5 years period)	
	Total	Less than 1 year	1-5 years	Interest	Total	Fluctuates	Fixed rate
Financial assets							
Cash and cash equivalents	-	154,935,501	-	25,922,792	180,858,293	0.125% - 1.000%	-
Available-for-sale investments	-	-	-	66,191,222	66,191,222	-	-
Long-term investments	-	142,104,072	-	-	142,104,072	1.25% - 2.15%	-
Trade and other accounts receivable (net)	-	-	-	141,793,942	141,793,942	-	-
Restricted deposits with financial institutions	-	-	44,891,100	-	44,891,100	0.65% - 0.90%	-
Total financial assets	-	297,039,573	44,891,100	213,907,956	526,752,334		
Financial liabilities							
Banks credit line and short-term loans						MLR 2.00% - 2.00% and	
From financial institutions	384,751,242	-	-	-	384,751,242	MLR 1.10% to 2.00%	-
Short-term loan from a related party	-	-	-	-	-	-	-
Trade and other accounts payable	-	-	-	402,091,726	402,091,726	-	-
Long-term loans from financial institutions	29,194,492	-	-	-	29,194,492	MLR 1.25%	-
Liabilities under finance lease agreements	-	3,811,324	-	-	3,811,324	-	2.00% - 11.00%
Total financial liabilities	413,945,734	3,811,324	-	402,091,726	820,749,334		

39. COMMITMENTS

39.1 Commitments under letter of guarantee

In the normal course of its business, the Company provides letter of guarantees and letter of credit generally issued by the banks to its suppliers for the purchases of goods, airtime rental and electricity.

As at December 31, 2017 and 2016, the Company has letter of guarantees and letter of credits issued on behalf of the Group as follows:

	Million Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Letters of guarantee for</u>				
Goods (Note 20)	159.73	149.84	159.73	149.84
Airtime rental (Note 20)	10.03	6.62	8.53	5.12
Electricity	1.21	1.31	1.21	1.21
	<u>170.97</u>	<u>157.67</u>	<u>169.47</u>	<u>156.17</u>

39.2 Commitments under the agreements

As at December 31, 2017 and 2016, the Company had commitment in respect of rental and service agreements with the amount of future payment as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Due within the years ending</u>				
	Rental agreements	Service agreements	Rental agreements	Service agreements
1 year	29,761,312	52,837,005	34,937,978	137,922,815
1 year - 5 years	18,894,769	12,690,905	26,623,764	19,173,101
	<u>48,656,081</u>	<u>65,517,914</u>	<u>61,561,742</u>	<u>157,105,916</u>
	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Due within the years ending</u>				
	Rental agreements	Service agreements	Rental agreements	Service agreements
1 year	28,910,520	11,513,940	34,181,122	142,617,175
1 year - 5 years	15,703,657	680,909	25,685,509	93,085,577
	<u>44,614,177</u>	<u>12,194,849</u>	<u>59,866,631</u>	<u>235,706,052</u>

39.2 Commitments under the agreements

As at December 31, 2017 and 2016, the Company had commitment in respect of rental and service agreements with the amount of future payment as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Property, plant and equipment	310,833	6,059,533	-	1,742,717
Computer software	2,241,768	5,185,200	2,241,768	4,905,200
	<u>2,552,601</u>	<u>11,244,733</u>	<u>2,241,768</u>	<u>6,647,917</u>

40. EVENTS AFTER THE REPORTING PERIOD

Board of Directors' Meeting No. 2/2018 held on February 23, 2018 has the resolution as follows:

- To approve the issuance of warrants to purchase newly issued ordinary share of the Company No. 2 (TVD-W2) amounting to 162,573,338 units to the existing shareholders free of charge at the ratio of 4 ordinary shares to 1 warrant. The exercise price of the warrant No. 2 is Baht 1 per share. The warrants are valid for 3 years from the issue date.
- To approve the decrease in registered capital from 682,500,070 shares at the par value of Baht 0.50 per share, totaling Baht 341,250,035 to 650,293,350 shares at the par value of Baht 0.50 per share, totaling Baht 325,146,675, by decreasing 32,206,720 shares at the par value of Baht 0.50 per share, totaling Baht 16,103,360.
- To approve the increase in registered capital from 650,293,350 shares at the par value of Baht 0.50 per share, totaling Baht 325,146,675, to 812,866,688 shares at the par value of Baht 0.50 per share, totaling Baht 406,433,344 by the issuance of 162,573,338 shares at the par value of Baht 0.50 per share, totaling Baht 81,286,669 to support the exercise of the warrants No. 2 (TVD-W2).
- To approve the legal reserve amount of Baht 3,802,569 and share premium amount of Baht 29,999,639 for compensation to the deficit as at December 31, 2017 at the amount of Baht 33,802,208.

41. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2016 have been reclassified to conform to the current period classification in the financial statements for the year ended December 31, 2017 with no effect to the previously reported net income or shareholders' equity.



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, the Company’s Board of Directors, Executives, all employees and business partners as well as customers who always show good support for our company and that makes the Company to achieve the determined goal.

From the operation in 2017, even the Company encountered with economic crisis and competition from inside and outside the country, the Company can overcome obstacles and difficulties due to kind collaboration of our employees as well as assistance and support provided by our alliance, business partners, and customers from all regions. As a result, the Company’s operative result is growing continuously as the slogan “Chob Shop Kum Sure”

In 2018, besides the selling of product through the 24 hours television program via TVDMOMO Channel, the company also focuses on E-Commerce channel expansion. The company jointly plans with our existing and new business partners by adding effective distribution channels, searching for new products and launching new promotion to provide shopping alternatives for customers as well as developing personnel and technology to enhance business operation of the company to continuously grow with stability.

Lastly, 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



► Information

Business Name	: TVD Shopping Company Limited (Previously Name- Shop at Home Company Limited)
Company Abbreviation	: TVDS
Business Type	: 24-Hour TV Home Shopping
Establishment	: November 26th, 2013
Program Name	: TVD Shop
First Launch	: June 26th, 2014
Office Address	: 1, 1/1, 1/2 Soi Watcharaphon Kwang Tarang, Khet Bangkhen, Bangkok 10230
Registration Number	: 0105556188407
Major Shareholders	: TV Direct Public Company Limited 65% MOMO.COM Incorporation (Taiwan) 35%.
Managing Director	: Mr. Thanabul Matturanont
Registered Capital	: 345,000,000.00 baht (Four Hundred Forty Five Million Baht)
Share Amount	: 69,000,000,000 shares (Eighty Nine Million Shares)
Paid-up Capital	: 345,000,000.00 baht (Four Hundred Forty Five Million Baht)
Par-Value	: 5 baht (Five Baht) per share
Website	: www.tvdmomo.com
Mobile Application	: TVDSHOP, TVDMOMO
Telephone	: +66 (0) 2666 0288
Fax	: +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

► Home Shopping

- Live Home Shopping Program
- 24-Hour Home Shopping Channel

► Online Shopping

- Business to Customers (B to C)



ช่องทางการรับชม

24 LIVE!
HOURS SHOPPING

เจริญ
JOJO

PSI

Z

S
SUNSOOK

BIG

IPM
SATURDAY SHOPPING

ช่อง 4

ช่อง 43

ช่อง 43

ช่อง 43

ช่อง 43

ช่อง 43



LAST MILE DIRECT COMPANY LIMITED





Message from the Management

Dear Shareholders,

The year of 2017 was considered as the official beginning of Last Mile Direct Company Limited. For the overall business operation result from the beginning of 2017 to the end of 2017, I would like to conclude into 2 major sections as follows:

1) For financial business operation result, income statement caused by the company's transformation was negative in overall. In another point of view, if we significantly consider on monthly business operation result, we would find that income statement tended to be positive, i.e., it was less negative every month, due to organizational restructuring, improvement of efficiency of major operational procedures started from sending product information via Interface Data System to warehouse, tracking products during the operation of warehouse, tracking products while transporting to destination, establishing policy on delivery, establishing the criteria for evaluating monthly delivery of each product distribution center, improving and reducing the duration of delivery of each zone, for example, within 24 hours for Bangkok and 3 working days for other provinces, etc.

2) For operational efficiency, our team has spent a period of time to learn and collect experiences for improving our operational efficiency during previous year. We have tried to compare and improve our operation based on our goal, i.e., our performance must be able to compete with 3PL providers in general market. In addition, the results of the 3rd and the 4th quarter also represented a good tendency compared to 2016 on better efficiency of Order Management, Transportation Management, and Fulfillment Management. Our efficiency on these fields has been getting similar to those of some major 3PL Providers in the market.

For 2018, Last Mile Direct Company Limited has clearer goal based on our 1 year experience. We expect that our company will have the positive business operation result in the 2nd quarter of this year due to our plan on operational procedures development and improvement that has been operated from the end of 2017 to the early 2018 or the 1st quarter of 2018. In addition, we also aim to increase orders based on prediction of our associated companies, whereas, delivery service of our associated companies will be the major factor affecting to the growth of our business. In this year, we still emphasize on development and improvement for establishing our company's service standard in order to be ready for competition and the growth of the market in the future.

Mr. Theerapong Limprasert
General Manager



CORPORATE INFORMATION

► Information

Last Mile Direct Company Limited is located at No. 25/3, Watcharaphon Rd., Tarang, Bangkhen, Bangkok 10230. The company was established since June 12, 2013 and reformed our business structure into delivery and cash collection service since January 1, 2017 with registered capital of 40,000,000 Baht.

► Vision

Being an important alternative for logistics business in Thailand by the year 2016, increasing the capacity of transportation and distribution services, expansion of distribution areas including integrated warehouse management according to international standards in order to become a quality alternative in logistics business in Thailand. We have the following philosophy:

Commitment

- We focus on the business that is committed to provide domestic delivery and we can also provide shipping service for high value and large products including product assembly service and providing knowledge in using products, and introduction to the products for every customer.

Service with Care

- We focus on providing attentive management services. We know that customers wait for good products and services. Therefore, we provide services on a basis that will be able to maximize customer satisfaction. We focus on expanding and developing delivery capabilities seriously so that the service is excellent in both the speed of delivery and covers all regions.

► Mission

- Development of service system, transportation and distribution of goods to be more efficient
- Improvement of Improve workflow to be efficient, consistent and cohere in order to reduce delivery time and service costs.
- Development of warehouse / distribution center of international standard.



BUSINESS SCOPE

► Our Services

Warehouse Service

- Inventory management
- Order Processing
- Packaging Service

Transportation Service

- B2B
- Drop Ship
- Full load service

Fulfillment Service

- B2C
- COD
- Home Delivery with assembly
- High value and High weight >20Kg
- Track & Trace.



TVD BROKER

a TV Direct Company

TVD BROKER COMPANY LIMITED





Message from the Management

Dear Shareholders,

In 2017, it was considered as the year of challenging for the operation of TVD Broker Company Limited on business competition against both domestic and international competitors and economic condition that tended to be gradually recovered compared to previous year.

Based on those factors of the last year, the company adjusted our management plan and operational strategies in order to improve our potential on business competition regarding selecting quality insurance products for our customers by focusing on appropriate coverage, compensation, and after sale service. In addition, we also selected some trading partners with financial stability, experience, and reputation for responding to our demands of our customers. We also focused on maintaining our current customer base along with expanding new customer base in order to increase our income base in the future. With our efficiency on operational expenses controlling, the company could obtain better performance compared to previous year.

For the operational guidelines of 2018, the company still emphasizes on life insurance and general insurances broker business as well as improving income of service business and expanding e-commerce business along with developing the company's personnel in order to support the growth of our company sustainably and stably.

Finally, I, on behalf of TVD Broker Company Limited, would like to thank all shareholders, customers, trading partners, and business partners for giving your trust and great support on business and activities to the company in the previous year. In addition, I would like to thank our board of directors, management team, and employees of all departments to mutually drive our company to be progressed along with providing good services to all customers that is considered as the most important element for our success.

Dr. Arthit Noicharoen
Acting for Managing Director



CORPORATE INFORMATION

► 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 55,000,000.

► 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

► 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
2. Business interruption insurance
3. Burglary insurance
4. Financial insurance
5. Construction insurance
6. Installation of machinery insurance
7. Machinery insurance
8. Computer equipment insurance
9. Transportation insurance
10. Legal liability insurance
11. Product liability insurance
12. Liability insurance for director and administrative officer
13. Motorcar insurance - compulsory type
14. Motor insurance - non-compulsory type

Etc.

Moreover, the TVD Broker Company Limited still has other insurance types to service customers as per requirement.



TVD SERVICES COMPANY LIMITED





Message from the Management

Dear Shareholders,

For 2017, TVD Services Company Limited has operated our business on providing share services to associated companies of TV Direct Public Company Limited as the 2nd year. In 2017, we continued our mission in improving our operational efficiency and all dimensions of service provided to our associated companies.

For services providing, all services were provided under Service Level Agreement (SLA) in order to obtain better service standard compared to other service providers in the same market. Consequently, our coordination and operation among associated companies became more efficient helping to reduce the costs of overall operation of TV Direct Public Company Limited. Moreover, our monitoring process has always been improved with our associated companies in order to manage expenses more systematically leading to sustainability and future growth of TV Direct Company Group

To improve operational procedures and system works, our company has improved and updated the major computer software of our associated companies to be more modern. For hardware, we have improved our telephone system to have higher level of capability and operation for connecting all distribution channels. For Data Center, we mutually planned with our business partners to expand data center of TV Direct Company Group to be able to support technological changes and business expansion.

For 2018 plan, our team still strives to develop personnel and improve our operational process to be efficient for providing services to our associated companies consecutively. In 2018, we will start to expand the scope of our services to outsiders in order to reduce overall expenses of our company group and increase income of our company. In addition, we will be able to improve capability of our personnel to be more professional as well.

Finally, I would like to thank the board of directors, executives, and employees of TVD Services Company Limited for your teamwork and effort given to our company during the previous year.. In addition, I would like to thank all customers, business partners, shareholders, and trading partners of TV Direct Public Company Limited and our company group who always support us greatly. Our team still strives to develop our operation with our full capacity to drive our company to be progressed and successful sustainably and continuously.

Mr. Yuvaboon Khamwangyang
Managing Director



CORPORATE INFORMATION

► 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 1 st, 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 business 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

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 refurbishing 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:

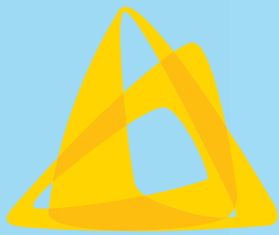
- 5.1. Control and inspect property, furnish property registration and disbursement of office supplies.
- 5.2. Provide facilities to the company and visitors.
- 5.3. Provide procurement services by providing sources of product distribution, for example, office supplies, molds, packaging, properties, 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.





3-RD

3-RD, a CNTT COMPANY



Message from the Management

Dear Shareholders,

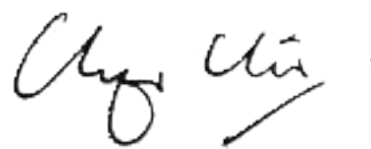
According to our significant investment in personnel, information, and systems until we received the Promotion Certificate from BOI and based on our standard development from the end of 2015 to 2016, our company was selected to be certified by ISO27001 and we have developed some intelligence software to manage Contact Center that can connect with social media and integrate telephone system with CRM. Consequently, our company was able to accept more works on management system in Contact Center in 2017 while spending less time and saving more expenses for customers. In addition, our company also had an intelligence system to analyze and increase sale volume that was considered as another pride on abilities of Thai people. In 2017, there was a Contact Center company listed in the stock exchange of Japan visited our company to study on a software system developed by us and they also admired intelligence of this software system.

At the end of 2017, there was a company listed in the stock exchange of Korea, CNT Tech Co., Ltd. Tech, co-investigated with our company and they also developed Software Platform in Food Tech for ordering products via Contact Center, Chat, Social media, as well as Back Of House system, intelligence delivery system, sale volume planning system, and personnel planning system in the form of Big Data helping to increase sale volume over than 20% while reducing expenses by 30% and possessing 97% of Korean market.

Our company has increasingly transformed to Mode of Technology Platform with the action plan to earn more income and profits from technology market than those obtained from BPO in the following years.

All of our executives and employees considered such changing as challenging and opportunities on consecutive development. According to integration of abilities of over 100 Korean engineers and over 40 Thai engineers, our potential has been stronger increasingly and we will be able to compete with competitors in the foreign markets soon regarding BPO that is our existing service and intelligence Technology Platform that will be provided in the next year.

I am highly appreciated by support of our company group under TV Direct Public Company Limited, business partners, and customers. I highly hope that our company will become a part of our company group to generate profits and returns to all shareholders and investors.



Miss Kanokporn Chinorak
Chief Executive Officer



CORPORATE INFORMATION

3-RD Company Limited has been operating a business to provide services on outsourcing, contact center, and providing consulting on direct marketing that is integrated with contact center completely. We have been operated our business since 2007 with the following proportion of shareholders: GMM Grammy 50% and Suwannahong 55 50%. In the mid of 2017, TV Direct Public Company Limited purchased shares from GMM Grammy. At the end of 2017, CNTT Company Limited that is the listed company of the Stock Exchange of Korea becomes the major shareholder by increasing the capital from 18 million baht to be 36 million baht. In conclusion, the proportion of shareholders is CNTT Company Limited 50%, TV Direct Public Company Limited 25%, and Suwannahong 55 25%.

Currently, our company's name is changed as 3-RD, a CNTT Company (a company providing outsourcing service, contact center service, and consulting service on direct marketing that is completely integrated with contact center as well as letting the lease/selling intelligence software for contact center and CHAT Center via CHAT BOT, Food Order, Food Tech Solution, Delivery Solution, Rider Management Solution, Forecasting.

Our services are provided in various forms as follows:

1. Facility Rental - Call, Digital integration service covering personnel recruitment and training, location suggesting for establishing contact center, technology and application services for the ultimate efficiency as demanded by customers, the use of intelligence One App software, and Automated Payroll & Commission Calculation integrated with One App for installing at the customer's site.

2. Insource - Personnel recruitment service for sending trained personnel to provide contact center service at customer's site by using software technology and management system of 3-RD (intelligence One App or software that is currently used by customer), Food Order Management System, Food Tech Solution, Delivery Solution, Rider Management Solution, and Forecasting.

3. Fully Outsource - Providing services to customers fully in the form of Outbound (e.g., product selling or telephone marketing) and in the form of Inbound (e.g., asking information from customer, customer services, digital marketing, Chat Center Service (ICR: Integrated Chat Response), intelligence One App, and Automated Payroll & Commission Calculation integrated with One App. These help to improve efficiency of services provided by 3-RD in any form leading to higher sale volume, professional services, higher level of impression, and more cost-saving. These are pride of our team who develop intelligence One App software.

4. EDC/POS Hardware - Devices of EDC and SUNMI cash register that is Android base.

► Vision

"We have strived to become the leader on integrating contact center and creating connected intelligence innovations for ultimate efficiency and effectiveness. "

► Mission

To provide services on sales and customer service to customers professionally and internationally via Contact Center in various forms including intelligence software in contact center and Food Tech for supporting and improving efficiency of customer's business operation.

► Values

Passion Energetic Mastery

- Passion : Have passion in working and determination to achieve success for customers.
- Energetic : Have enthusiasm on proactive working and teamwork.
- Mastery : Have expertise on works with knowledge seeking and self-development.



TV DIRECT PUBLIC COMPANY LIMITED

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