



ANNUAL REPORT 2018

ANNUAL REPORT 2018 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 2018 was the 19th year of the establishment of TV Direct Public Company Limited, which is considered as a long time of the Company's operation. The Company has therefore celebrated this special occasion with the "19th Anniversary of TVD, Shop Every Day and Win Every Week" between 19 April - 30 August 2018 in order to thank the customers who have been supporting the Company for a long time, throughout the period of 19 years with the value of prizes over 3 Million Baht.

The Thai economy in the year 2018 has an expansion rate of approximately 4.2 percent which is considered quite acceptable. However, the market situation is very intense, for example, some competitors shift focus from other businesses to the Home Shopping business, which results in higher marketing costs for the Company. However, the Company can achieve both revenue and profit targets, which allow the Company to pay interim dividends to shareholders at 0.05 Baht per share on 12 December 2018.

In order to maintain the leadership of the Company, we have decided to invest in major sections such as buying OneApp, Nexidia and Full Loop System to create feedback and measure satisfaction levels to provide the best experience to the customers. The investment in the above matters will strengthen and enhance the ability of the Company and its subsidiaries to compete with other competitors. It will also increase the Company's subsidiaries' sale and resulting in the overall operating results of the Company to be better and will be the pave for the year 2019 to be another good year for the Company.

In 2018, 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 suppliers, competitors, creditors, government 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 2018 in the "Excellent Level" or CG 5 stars by Thai Institute of Directors (IOD) for two consecutive year (2017-2018). 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 fourth consecutive year (2015-2018).





In addition, the Company has received 100 full points for 5 consecutive year (2014 - 2018) from quality assessment on Annual General Meeting of Shareholders by Thai Investors Association. In terms of Corporate Ethics and Governance, the Company is also certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (Thai CAC). One more pride of the Company in 2018 is that the Company received the Trophy of the Excellent Workplace in Labor Relation and Welfares from the Ministry of Labor for 4 consecutive years (2015-2018). The Company will continue to strive to promote and develop the Good Corporate Governance of the Company 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, government agencies, and sponsors for supporting 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.



Mr.Tada Charukitpaisarn
Chairman of the Board



Mr.Chalermpong Mahavanidvong
Chairman of the Executive Committee



Message from Chief Executive Officer

Dear Shareholders of TV Direct Public Company Limited

Finally, the year of 2018 became the year that we could cause a complete reversal of the circumstances to generate return to all shareholders as intended. We adjusted our action plans in every quarter on sale volume management, product costs, advertising costs, and operational expenses. Although we were unable to manage product and advertising costs to meet with our target, we could manage our sale volume and expenses better than our plan. Consequently, we earn sufficient profit to pay for dividend in the rate of 0.08 Baht per share.

I concluded the overall picture of important situations as follows:

1. Demand and Supply of Air Time and Advertisements: According to the change of media policies of most consumer companies from major media to be multimedia, especially digital media, because digital media will be transformed from Paid Media to Own Media or even Earned Media, the availability of air time of many TV Stations was excessive compared to demand. When the number of sponsors was reduced, new TV program production was difficult as same as surviving of current TV programs. Another solution was producing TV Home Shopping whereas some of them were produced by TV Stations like Channel 8, WORKPOINT, MONO29, and Bright TV or renting air time or selling advertisements or Profit Sharing as could be seen in all channels. Consequently, TV Home Shopping business was growing among severe competitions that have never been happened before. Currently, Thailand has 18 TV Home Shopping companies that are registered legally.

2. Online Shopping that has been growing among severe competitions of B2B2C (Market Places such as Lazada, 11Street, JD Central, Shopee, etc) and C2C (individuals who open online shops in the forms of dealers or agents, Franchise, OEM of factories, especially trading business) generated many entrepreneurs easily and rapidly. However, most of them had the small amount of capital, so they had to give big discounts when they could not sell products as they wished, in order to clear their stocks. Since they performed their businesses via their own online channels and Market Places, the price structure of all types of products was reduced. This was considered as destruction against price structure of products with potential on marketing, therefore marketing of such products turned to be impossible due to insufficient margin. This circle reduced the value of online and retail industry in overall picture. There were some reports from many retail entrepreneurs informing that they could sell more products, but with lower price. Although profit percentage may not be reduced, Baht Net Margin was surely reduced leading to lower number of sale volume of High Ticket products.

3. PURCHASING POWER : Lower agricultural crops made purchasing power of most people who were farmers in upcountry reduced significantly. Based on researches and database of TV Home Shopping of Thailand, it specified that 30%-35% of persons who bought products via television lived in Bangkok and suburban while 65-70% of persons who bought products via television lived in upcountry throughout Thailand that was consistent with the order value of regional sale volume that was reduced. Currently, the number of purchasing is increased due to higher number of media. However, the reduction of purchasing power is still remained without any good sign soon.

Although these three situations made our operations in 2018 highly difficult, we could properly overcome by adjusting our plans promptly and preparing strategies, especially Fixed Cost that we could manage until it was in Economies of Scale, i.e., sale volume over than 3 Billion Baht to 4 Billion Baht, it was almost unnecessary for us to increase our Fixed Cost.

To purchase shares of Springnews Television Co., Ltd., it was considered as the highest investment of our company with risks and challenges on operations. However, we were fully supported by 100% voting in the Extraordinary General Meeting of Shareholders No. 1/2018, held on November 23, 2018. Prior signing date, NBTC declared the measures on assisting all digital TV channels by bidding 700 MHz frequency for 5G project and replacing such frequency by other frequencies with compensation of such frequency. It was estimated that it may reach 36 Billion Baht that was sufficient for compensating the last 1-2 installments of concession fee. In addition, there is also the policy on return of frequency and this new condition of NBTC causing both companies are unable to make agreement, therefore we had to cease such shares purchasing on February 26, 2019, according to the resolution of the Board of Directors. However, TVD will still be able

to rent air time of Springnews Television as we used to do prior this proposal. In addition, our two companies are still business partners that can do business together.

To cease negotiation with Spring News, expenses of TVD in 2018 were added with service fees of Financial Advisor, Independent Financial Advisor, Finance Due Diligence Advisor, and Legal Advisor related to the purchasing shares of Springnews Television Co., Ltd., Project in the total amount of 5 Million Baht approximately.

For business model, we started to transform from Multi-Screen to be Omni Channel by focusing on creating Customer Experience that would make us gain customer repetition regularly. In order to be consistent with our transformation, we has changed our indicators from KPI to OKR (Objective Key Result), enabling all organizational personnel to see overall picture of our performance. Consequently, petty problems would be solved and big problems would be less severe. Consequently, reduction of expenses was caused by improving existing policies and establishing new policies for better co-working.

These were all things occurred in the last year and all of us in TVD Group worked together till our total revenue higher than our Target, gain profit and can pay the dividend. Our operations have continued performing in 2019 that is considered as the strong competitive year, but we are already prepared to deal with such situation.

Finally, I would like to thank all of you for trusting and investing with TVD. We, Operating Team, would like to promise that we will give our full effort to build sustainability to TVD.

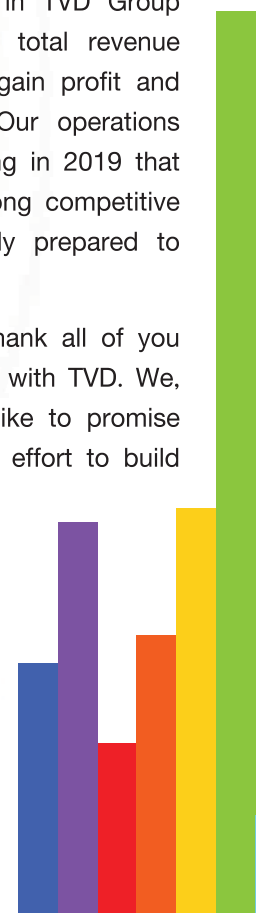
Buddha bless,



Mr. Songpol Shanmatkit

Chief Executive Officer

TV Direct Public Company Limited





Board of Directors

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

2 Mr. Songpol Shanmatkit
Director / CEO

3 Mr. Thanabul Maturanont
Director

4 Mr. Takeshi Tsuji
Director



5 Asst. Prof. Anucha Chintakanond
Independent Director

8 Mr. Chalermpong Mahavanidvong
Director

6 Mr. Suthep Suebsantiwongse
Independent Director

9 Mr. Lertpong Yongthanasarat
Director

7 Mr. Wirasack Wirojwattanakul
Director





Executive Committee

1 Mr. Chalermpong Mahavanidvong
Chairman of the Executive Committee

3 Mr. Wichian Manapongpan
Executive Committee

2 Mr. Songpol Shanmatkit
Executive Committee/CEO

4 Mr. Wirasack Wirojwattanakul
Executive Committee



Audit Committee

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

3 Mr. Suthep Suebsantiwongse
Audit Committee Member

2 Asst. Prof. Anucha Chintakanond
Audit Committee Member





Nomination and Remuneration Committee

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

3 Dr. Pisut Chalakornkul
Nomination and Remuneration Director

2 Mr. Songpol Shanmatkit
Nomination and Remuneration Director



Management Committee

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

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

3 Mr. Pongchai Shanmatkit
Management Committee / Head of TV Station

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

5 Mr. Pathom Vejsupaporn
Management Committee /
Senior Director Online Shopping Division



02

Details of Executives and controlling persons of the Company

Details of Executives and controlling persons of the Company as at December 31, 2018

Name/Position	Age	Education/Training course from Thai Institute of Directors (IOD)	Stake in the company						Family relationship with other executives	Working experiences during last 5 years and position in other company				
			As at December 31,2017 (Shares)		Change in Year 2018 (Shares)		As at December 31, 2018 (Shares)			As at December 31, 2018 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
Mr. Tada Charulakpolsiam Chairman of the Board Independent Director Chairman of the Audit Committee	64	<div>- Master of Arts from Communication Arts Faculty in Marketing / Advertising, North Texas State University</div> <div>- Bachelor degree from Faculty of Science, Chulalongkorn University.</div> <div>- Training courses in Director Certification Program (DCP) class 98/2008, and UFS class 13/2008.</div>	164,228	-	41,139	-	205,367	-	205,367	0.03%	July 2015- Present	Chairman of the Board	TV/D Broker Co., Ltd.	Insurance Broker
										August 11, 2016- Present	Chairman of the Board	TV Direct Public Company Limited	Multichannel Marketing	
										April 2013- Present	Independent Director Chairman of the Audit Committee	TV Direct Public Company Limited	Multichannel Marketing	
										November 3, 2010 - April 2013	Independent Director Audit Committee	TV Direct Public Company Limited	Multichannel Marketing	
										April 2011- June 2013	President	Krungthai Credit Card Co., Ltd.	Credit card and credit provider service	
									2004 - 2010	Senior Vice President	CIMB Thai Plc.	Commercial bank		
Director / Executive Position in Other Listed Companies											(none)			

Name/Position	Age	Education/Training Course from Thai Institute Of Directors (IOD)	Stake in the company including spouse and minor child							Family relationship with other executives	Working experiences during last 5 years and position in other company				
			As at December 31, 2017 (Shares)		Change in Year 2018 (Shares)		As at December 31, 2018 (Shares)				As at December 31, 2018 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
Mr. Songpol Shumkitt Director (Authorized Signatory) Executive Committee Chief Executive Officer	48	<ul style="list-style-type: none">- Master degree in Computer Engineering Management, from Assumption University- Bachelor degree from Business Administration Faculty in Administration, Assumption University- Training in Director Certification Program class 146/2011, and Successful Formulation and Execution of Strategy (SFE) class 13/2011.	55,360,374	367,241	65,201	-	55,433,575	367,241	55,900,816	8.55%	Spouse of Ms. Le-orani Meluramont	May 1, 1999 – Present	Director, Executive Director, and Chief Executive Officer	TV Direct Public Company Limited	Multichannel Marketing
												December 24, 2012 - Present	Nomination and Remuneration Director	TV Direct Public Company Limited	Multichannel Marketing
												March 2011 – Present	Director	TVD Services Co., Ltd.	Business Support Services
												March 2010 – October 2012	Independent Director and Audit Committee	Sino-Thai Resources Public Company Limited Development.	Investment in the Satellite television business
										Director / Executive Position in Other Listed Companies (none)					

Name/Position	Age	Education/Training Course from Thai Institute of Directors (IOD)	Stake in the company including spouse and minor child								Family relationship with other executives	Working experiences during last 5 years and position in other company			
			As at December 31,2017 (Shares)		Change in Year 2018 (Shares)		As at December 31,2018 (Shares)			As at December 31,2018 (%)		Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
Mr. Thanabul Maturanont Director (Authorized Signatory)	48	- Master degree from Pacific Rim Basin Faculty, in Inter Business & Finance, Dominican University of California. - Bachelor degree from Political Science Faculty subject: Government, Chulalongkorn University. - Training in Director Accreditation Program (DAP) class 90/2011, and in Director Certification Program class 154/2011.	7,071,600	28	-	-	7,071,600	28	7,071,628	1.09%	Brother of Ms. La-orsri Maturanont 				

Name/Position	Age	Education/Training Course from Thai Institute of Directors (IOD)	Stake in the company including spouse and minor child								Family relationship with other executives	Working experiences during last 5 years and position in other company			
			As at December 31,2017 (Shares)		Change in Year 2018 (Shares)		As at December 31,2018 (Shares)			As at December 31,2018 (%)		Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
Mr. Witsadek Wirowattanakul Director (Authorised Signatory) Executive Committee	53	- Bachelor degree from Engineering Faculty in Electronics Engineering, Tokai University, Japan - Training in Director Accreditation Program (DAP) class 90/2011	6,340,509	-	-	-	6,340,509	-	6,340,509	0.95%	August 17, 2007 – Present	Director	TV Direct Public Company Limited	Multichannel Marketing	
											May 25, 2011 – Present	Executive Director	TV Direct Public Company Limited	Multichannel Marketing	
											November 26, 2013- Present	Chairman of the Board	TVD Shopping Co., Ltd.	Home Shopping	
											2005 - Present	General Manager	LSE Electronics Co., Ltd.	Electronic equipment distribution	
											March 10, 2000 – Present	Director	Saieep Co., Ltd. (Thailand)	Dealers and install anti-theft alarm systems	
											May 12, 2010 - Present	Director	Veda Med Co., ltd.	Importer and distributor of medicine and medical equipment	
											November14, 2002 – Present	Director	Reyon Asia Co., Ltd.	Tool and equipment retailer	
											November 25, 2006 - Present	Director	R3S Products Co., Ltd.	Buying and selling used decorative furniture for home and building	
											August 11, 2008 – Present	Director	BB Battery Asia Co., Ltd.	Battery distributor	
											April 28, 1994 - Present	Director	Retail Business Solution Co., Ltd	Product shelves distributor	
										Director / Executive Position in Other Listed Companies					
										(note)					

Name/Position	Age	Education/Training Course from Thai Institute of Directors (IOD)	Stake in the company including spouse and minor child						Family relationship with other executives	Working experiences during last 5 years and position in other company				
			As at December 31,2017 (Shares)		Change in Year 2018 (Shares)		As at December 31,2018 (Shares)			As at December 31,2018 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
Mr. Chalempong Mahavandrong Director and Chairman of the Executive Committee	47	<div>- MBA from Business Administration Faculty in General Management, University of Leicester</div> <div>- BBA from Business Administration Faculty, in General Management, Assumption University</div> <div>- Training in Director Accreditation Program (DAP) class 87/2011, Audit Committee Program class 35/2011, and Role of the Compensation Committee class 14/2012</div>	1,372,571	-	-	-	1,372,571	-	0.21%	-	Audit Committee / Independent Director / Nomination and Remuneration Committee	CSP Steel Center Public Company Limited	Steel service center By conducting steel processing and distribution business Roll type plan and steel processing service	
										July 6, 2018 - Present	Chairman of the Executive Committee	TV Direct Public Company Limited	Multichannel Marketing	
										May 4, 2011 - Present	Director	TV Direct Public Company Limited	Multichannel Marketing	
										2011 - 2017	Director	Nippon Paint and Decorative Coating (Thailand) Co., Ltd.	Production and distribution of paint and its by products	
										2008 - 2011	Chief Operating Officer	Nippon Paint (Thailand) Co., Ltd.	Production and distribution of household paint	
										2007 - 2008	Head of Grocery	Ekachai Distribution System Co., Ltd.	Hypermarket	
										August 2006 - 2013	Director	AMJ Consulting Co., Ltd.	Advisor and consultant on management	
										1992 - 2006	Country Director	Glette (Thailand) Co., Ltd.	Distribution of personal care Products	
										Director / Executive Position in Other Listed Companies				
										2018- Present Audit Committee / Independent Director / Nomination and Remuneration				

Name/Position	Age	Education/Training Course from Thai Institute of Directors (IOD)	Stake in the company including spouse and minor child								Family relationship with other executives	Working experiences during last 5 years and position in other company			
			As at December 31,2017 (Shares)		Change in Year 2018 (Shares)		As at December 31,2018 (Shares)			As at December 31,2018 (%)		Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
Mr. Takeshi Tsuji Director	52	<ul style="list-style-type: none">• Bachelor of Faculty of Commerce Waseda University, Tokyo, Japan (1991)• Passed Board Orientation training for new directors on 23 August 2018 (internal training)	-	-	-	-	-	-	-	-	March 30,2018- Present	Director	TV Direct Public Company Limited	Multichannel Marketing	
											May 2016 - present	Director	Ti-Stage, Inc.	Provide services to support direct marketing business	
											June 2014 - present	Director	Sakura Internet Inc.		
											April 1, 2016 – February 28, 2018	Deputy COO	Sojitz Corporation		
											June 2014 - December 2017	Director	Sojitz Systems Corporation		
											January 1, 2014 - March 31, 2016	General Manager	Sojitz Corporation		
											April 1, 2013 - December 31, 2013	Deputy General Manager	Sojitz Corporation		
										Director / Executive Position in Other Listed Companies (none)					

Name/Position	Age	Education/Training Course from Thai Institute of Directors (IOD)	Stake in the company including spouse and minor child							Family relationship with other executives	Working experiences during last 5 years and position in other company				
			As at December 31,2017 (Shares)		Change in Year 2018 (Shares)		As at December 31,2018 (Shares)				As at December 31,2018 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
Ast. Prof. Anucha Chintakanond Independent Director Audit Committee Member	75	<ul style="list-style-type: none">- Ph.D. (Candidate, Economics), Northwestern University- B. Ec. (1st Class Honour), University of Western Australia- Training in Director Accreditation Program (DAP) class 2/2000, FND class 1/2001, Audit Committee Program(ACP) class 1/2001, Role of the Chairman Program(RCP) class 7/2002, Charter Director Class(CDC) class 1/2007, Successful Formulation and Execution of Strategy(SFE) class 12/2001, Monitoring the Quality of Financial Reporting (MFR) class 16/2012, Role of the Nomination and Governance Committee(RNG) class 3/2012, and Role of the Compensation Committee(RCC) class 15/2012, Monitoring the system of internal control & Risk Managements 14/2013, Advanced of Audit committee 11/2013, CG Forum 1/2014Effectiveness in Board room, CG Forum 3/2014 Challenging as Expectation for Board Engagement on Strategic Risk Management Oversight- IOD Breakfast Talk 2/2016 "How Increased Investor Interest in non-financial information is shapes the future of Sustainability Reporting"	120,106	-	-	-	120,106	-	120,106	0.02%	April 2013 - Present 2018-Present 2017-Present 2016-Present 2016 - Present 2014-2015 2011-2015	Independent Director Audit Committee Vice Chairman of the Independent Directors - Advisory Council - Senior Advisor Chairman of the Activity Committee Subcommittee to evaluate and recommend the defensive tackle on National Security Advisor to Subcommittee for the preparation of the Fiscal Constitution and the State Budget Audit and Evaluation Committee Chairman of the Committee (verify personnel system)	TV Direct Public Company Limited Thai Institute of Directors Naresuan University Asia Foundation Thai Institute of Directors Government House National Reform Council Office of the National Anti-Corruption	Multichannel Marketing non-profit organization Government agency non-profit organization Government agency Government agency Independent Government agency	

Name/Position	Age	Education/Training Course from Thai Institute of Directors (IOD)	Stake in the company including spouse and minor child							Family relationship with other executives	Working experiences during last 5 years and position in other company				
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		- Nov 21, 2017, Thailand's 8th National Conference on Collective Action against Corruption "Bright Spots: Lighting the Way to a Free Society Corruption" - May 15, 2017, The Board's role as a leader in creating value for the business. - May 31, 2017, The role of the Board of Directors in reducing cyber risk. - April 4,2018 IOD's Briefing Seminar Better Governance, Better Business Thailand's Progress - May 23, 2018 "Good IT Governance: Risk Management and Data Responsibility" - October 2, 2018 independent directors and sharing experiences - October 11,2018 Thailand's 9th National Conference on Collective Action Against Corruption - November 12,2018 Audit Committee Forum 2018: Learn, Unlearn and Relearn- Audit Committee in the Age of Disruption									2009 - Present 1993 - Present 2011 - 2015 2015-2015	Independent Director Audit Committee Member Advisory to the Chairman and the International Affairs and Business Development Dept. Audit and Evaluation Committee -Chairman of the sub-committee, support in evaluating human resources system. -Chairman of sub-committee in evaluating the anti-corruption system -Sub-committee in supporting evaluation, management and division project in anti-corruption office	Philip Securities (Thailand) Plc. Pan Rajdhvees Group Plc. Office of the National Anti-Corruption Office of the National Anti-Corruption	Securities Skin care services, and production and distribution of skin care Products Independent Government agency Government agency	
										Director / Executive Position in Other Listed Companies					

Name/Position	Age	Education/Training Course from Thai Institute of Directors (IOD)	Stake in the company including spouse and minor child								Family relationship with other executives	Working experiences during last 5 years and position in other company				
			As at December 31, 2017 (Shares)		Change in Year 2018 (Shares)		As at December 31, 2018 (Shares)									
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total	As at December 31,2018 (%)						
Mr. Suthep Suebsantivongse Independent Director Audit Committee Member	74	Bachelor Degree Business Administration, California State University, USA - Training course in Director Certification Program (DCP)	-	-	-	-	-	-	-	-	-	January 2013 - Present	Independent Director Audit Committee	TV Direct Public Company Limited	Multichannel Marketing	
													2013-Present	Director	The Royal Bangkok Sports Club	Sport Club
													2010-2013	Chairman of the Board	Amanah Leasing Public Company Limited	Leasing
													2008 – 2009	Director	Islam Bank	Financial Institution
											Director / Executive Position in Other Listed Companies					
(none)																

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Mr. Pongchai Shanmakit Head of TV Station	45	- Bachelor Degree Faculty of Engineering King Mongkurl's Institute of Technology Thonburi - Master Degree, Business Administration From Assumption University	150,000	-	35,470	-	185,470	-	185,470	0.03%	March 1, 2013 – Present 1999-March 2013	Head of TV Station Director, DRTV Business	TV Direct Public Company Limited TV Direct Public Company Limited	Multichannel Marketing Multichannel Marketing	
										Director / Executive Position in Other Listed Companies (none)					

Name/Position	Age	Education/Training Course from Thai Institute of Directors (IOD)	Stake in the company including spouse and minor child						Family relationship with other executives	Working experiences during last 5 years and position in other company					
			As at December 31,2017 (Shares)		Change in Year 2018 (Shares)		As at December 31,2018 (Shares)			As at December 31,2018 (%)	Duration	Position	Company Name	Type of Business	
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child							Total
Ms. La-orsri Maturaront Head of Merchandise	49	- Master Degree, Marketing City University USA - Bachelor Degree, Business Administration Northrop University USA	367,241	55,360,374	-	65,201	367,241	55,433,575	55,800,816	8.55%	Spouse of Mr. Songpol Shannmatkit	March 1, 2013 – Present 1999-March 2013	Head of Merchandise Director, Merchandise & Marketing	TV Direct Public Company Limited TV Direct Public Company Limited	Multichannel Marketing Multichannel Marketing
											Director / Executive Position in Other Listed Companies (none)				

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			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
Mr. Wichian Manopongpan Executive Director Company Secretary Head of Finance and Accounting	55	Master Degree from Business Administration Faculty in Business Administration, Kasetsart University. - B.A. from Accounting Faculty in accounting Ramkhamhaeng University - Certified Public Accountant - Training course in Director Accreditation Program (DAP) class 66/2007.	89	-	-	89	-	89	0.00%	-	January 2016- Present	Head of Finance and Accounting	TV Direct Public Company Limited	Multichannel Marketing	
											September 1, 2013 - Present	Company Secretary	TV Direct Public Company Limited	Multichannel Marketing	
											March 1, 2010 - Present	Executive Director	TV Direct Public Company Limited	Multichannel Marketing	
											March 1, 2010 - Present	Chief Financial Officer	TV Direct Public Company Limited	Multichannel Marketing	
											March 2011 - Present	Director	TVD Services Co., Ltd.	Business Support Services	
										2007 - 2009	Finance and Accounting Director	Thai Airport Ground Services Co., Ltd.	Warehousing and ground services for aircrafts.		
										1991 - 2006	Vice President of Finance and Accounting	Sri Thai Food and Beverages Plc.	Producing and distributing ready-made food		
										2014-Present	Director	TVD Broker Co., Ltd.	Insurance Broker		
										2015-Present	Director	Last Mile Direct Co., Ltd.	Logistic & Fulfillment		
Director / Executive Position in Other Listed Companies										(none)					



03

General Information
and other important
information

Name.	TV Direct Public Company Limited
Registration No.	0107554000101
Type of business:	<p>The Company conducts its business on distribution of products and services through the Multi-Channel Marketing. Business operational structure of the Company can be segmented into 3 main channels as follows:-</p> <ol style="list-style-type: none"> 1. Direct Shopping which can be separated into 3 parts as <ol style="list-style-type: none"> 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	<p>406,433,344 Baht</p> <p>Divided into 812,866,688 shares at par value of Baht 0.50 per share</p>
Paid-up Capital	<p>325,157,632.50 Baht</p> <p>Divided into 650,315,265 shares at par value of Baht 0.50 per share</p>
Address	25, Watcharaphon Road, Tarang, Bangkhen, Bangkok 10230
Home page	www.tvdirect.co.th
Tel.	02-666-0999
Fax.	02-666-0888
Other references:	<p>Share registrar : Thailand Securities Depository Co., Ltd.</p> <p>Address : 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400</p> <p>Tel. 02-009-9000</p> <p>Fax. 02-009-9001</p> <p>Auditor : Dharmniti Company Limited</p> <p>Address : 178 Soi Treasure (Prachachuen 20) Prachachuen Road, Bangsue, Bangsue, Bangkok 10800</p> <p>Phone : 02-596-0500</p> <p>Fax : 02-596-0539</p>

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

As of 31 December 2018

	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 345,000,000
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	02-666-0999	02-666-0888	Common Shares	Baht 40,000,000
3	TVD Broker Co., Ltd.	Life insurance broker and other services relate to insurance against loss	Thailand	02-666-0388	02-666-0308	Common Shares	Baht 55,000,000
4	Last Mile Direct Co., Ltd. (Originally known as JML Direct (Thailand) Co., Ltd.)	Originally operates selling household equipment business, but from January 1, 2017 onwards will operate Logistic & Fulfillment business	Thailand	02-666-0999	02-666-0888	Common Shares	Baht 40,000,000
5	3-RD Co., Ltd.	Call Center Outsource Services and Direct Marketing Solution	Thailand	02 -751- 5588	0-2353-6500	Common Shares	Baht 36,000,000
6	Magik Pivot Co., Ltd.	Internet Service Provider (ISP), Data Center, Cloud Service, and Internet Connection Infrastructure.	Thailand	02-666-0999	-	Common Shares	Baht 30,000,000

Other important information

Nil.

TV Direct

Public Company Limited



TVD

CORPORATE
AWARDS

THE YEAR OF SUSTAINABILITY

2018





CORPORATE GOVERNANCE REPORT OF THAI LISTED COMPANIES 2018

Company with Excellent CG Scoring



In 2018, the Company's Corporate Governance (CG) was evaluated by Thai Institute of Directors (IOD) and obtained Excellent level or CG 5 stars which is the highest level for 2 consecutive years (2017-2018).

The CG score shows the efficient management, transparency, auditable and takes into account all stakeholders of the Company.

TOP QUARTILE COMPANIES By Market Capitalization

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

In 2018, 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 4 consecutive years (2015-2018).

AGM Level



In 2018, the Company earned 100 points for the 5th consecutive year (2014-2018) from quality assessment on Annual General Meeting of Shareholders by Thai Investors Association.



Collective Action Coalition Against Corruption

The Company received a Certificate of Collective Action Coalition Against Corruption (CAC) from the CAC Board.



The Excellent Workplace Year 2018

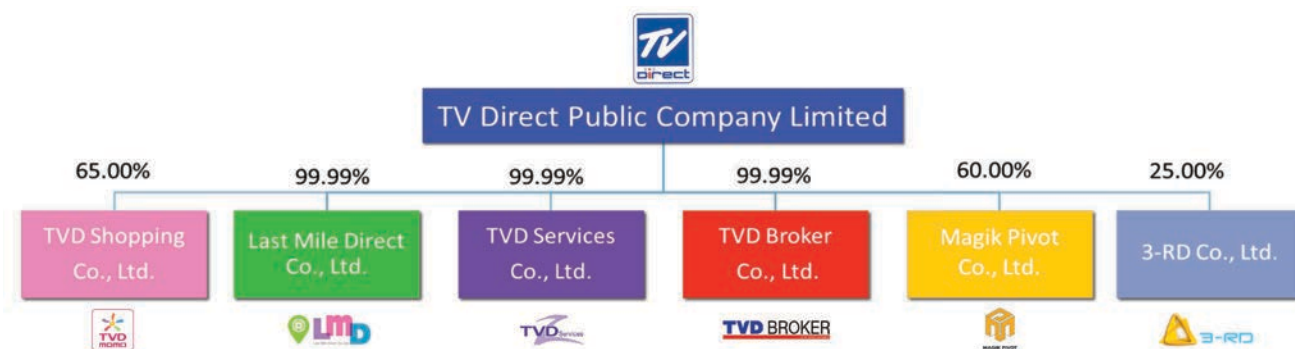
TV Direct Public Company Limited
received a Trophy of the Excellent Workplace in Labor Relation and Welfares from the Ministry of Labor
for 4 consecutive years (2015-2018).



05

Shareholding structure

Shareholding structure of the subsidiary companies as at December 31, 2018 :-



Overview of the subsidiaries' business operations

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

TVD Shopping Co., Ltd. is a registered and has been established in Thailand on November 26, 2013 in operating the TV Home Shopping Business. It is a joint venture between the Company and Momo Dot Com Co., Ltd. (originally known as Fubon Multimedia Technology Co., Ltd.) which is a legally setup company in Taiwan and a leading direct marketing company in Taiwan and other countries. The Company and MOMO have joint investment of 65 % and 35 % respectively and as at December 31, 2018 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, 2018 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, 2018, 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, 2018 it has registered capital and paid up capital of Baht 40,000,000.

5. 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, 2018 it has registered capital and paid up capital of Baht 30,000,000.

6. 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, 2018 it has registered capital and paid up capital of Baht 36,000,000.



06

Financial Highlights

Summary of financial information

(Unit : Million Baht)

Items	Audit of Consolidated financial statement 2016	Audit of Consolidated financial statement 2017	Audit of Consolidated financial statement 2018
Cash and cash equivalents	164.90	213.95	220.16
Account receivable –Others - Net	141.79	135.20	182.45
Inventory - Net	481.04	326.78	314.41
Land, building and equipment - Net	442.82	415.18	393.44
Intangible assets- Net	69.59	62.18	65.94
Total assets	1,681.37	1,498.32	1,453.73
Bank overdraft and short-term loan from financial institution	384.78	259.25	165.73
Account payable and other payables	402.93	423.57	461.82
Liabilities under financial lease	3.81	0.4	0.25
Long-term loan from financial institution	29.19	36.31	16.04
Total liabilities	865.40	773.35	702.76
Registered capital	341.25	341.25	406.43
Paid-up capital	325.15	325.15	325.16
Retained earnings			
Appropriated-legal reserve	3.80	3.8	1.9
Unappropriated	(142.37)	(206.38)	(149.42)
Total shareholder's equity	815.97	724.97	750.97
Total revenues	3,435.29	3,329.11	3,993.24
Cost of sale and service	1,785.44	1,898.35	2,369.38
Selling and administrative expense	1,586.56	1,479.02	1,530.96
Finance cost	11.72	11.33	6.84
Corporate income tax	11.87	(8.24)	20.25
Net profit	14.36	(65.86)	57.57
Weighted average number of share at par value of 0.50 Baht	650,293,350	650,293,350	650,315,265
Basic earnings per share (Baht)	0.02209	(0.10127)	0.08852



07

Corporate Social Responsibilities

CSR: Activities for Society

Merit Bridge for the Last-stage Patient

TV Direct Public Company Limited recognizes the importance of participating in social assistance. The company has therefore participated in the project “Merit Bridge for the Last-stage Patient” as a royal merit to on the occasion of the 2nd death anniversary of His Highness, King Bhumibol Adulyadej, Boromnat Bophit by the Medical Governance Foundation and the Medical Council, which is a project in which the company, together with Sukhothai International 8888 Company Limited, has donated 240 merit bridge boxes to let the nurses take the relatives and care provider to the last-stage patients say the words requesting forgiveness, play the Dharma record, listen to the prayer in order to lead the soul to a good place according to Buddhist principles.



One Drop for Life....Hundred Hearts

TV Direct Public Company Limited recognizes the importance of being involved in social assistance. The company has therefore implemented a project. “One drop for life ... hundred hearts” which is a project that the company together with the National Blood Donation Center, Thai Red Cross Society organized blood and stem cells donation from employees and people in the vicinity since 2003 until present. The donation was organized every 3 months and in the year 2018, which the 60th donation is organized by the company, the total of over 11,696 bags of blood were donated.

Synergism to Change the life of 13,000 Cancer Patients

TV Direct Public Company Limited provides support and is part of the creative activities for society through the project “Synergism to Change the life of 13,000 Cancer Patients”, organized by the Association of Listed Companies in the MAI, together with the Art of Life Enterprise for Society Co., Ltd. to inspire Understanding and planning for cancer treatment correctly by publicize and distribute the Survivor Planner for free via telephone and online channels to patients and relatives throughout the country to open a new perspective on cancer coping, correct treatment planning and life after treatment.

โครงการสานพลัง
พลิกชีวิตผู้ป่วยมะเร็ง 13,000 ราย

รับฟรี!
สมุดบันทึกพิชิตมะเร็ง
โทร. 02-666-0022

ฟรี
SURVIVOR PLANNER

*สงวนสิทธิ์เฉพาะผู้ป่วยมะเร็ง
อดีตผู้ป่วยมะเร็ง และญาติผู้ดูแล
(จำนวนจำกัด 1,000 เล่ม)

ออกแบบโดย :
ผู้ป่วยมะเร็ง อดีตผู้ป่วยมะเร็งที่ประสบความสำเร็จ
ร่วมกับแพทย์และพยาบาลผู้เชี่ยวชาญ

สอบถามรายละเอียดเพิ่มเติม :
โทร. 099-356-3561

โครงการสานพลังพลิกชีวิตผู้ป่วยมะเร็ง 13,000 ราย

Green Herit Reduce waste...help turtles

TV Direct Public Company Limited is aware of the problem of plastic waste that has an impact on the environment at present. Therefore the company collaborate with Organic Links Co., Ltd. to support the GreenHerit shop in the participating in a booth to promote activities to reduce the use of plastic waste by offering refill products through repeated use containers that customers bring themselves and also help instill employees of the company to realize the importance of protecting the environment from reducing plastic use as well.



Pankan Project

Pankan Shop by Yuwapat Foundation is a mechanism to create the participation of people in Thai society in the form of social enterprise selling products and use income from the sale to create benefits and cause better changes to the society in various fields without deducting expenses by giving scholarships to children lacking opportunities in the Yuwapat Foundation.

TV Direct Public Company Limited supports the sharing with donation points for employees to participate in society by creating a network of giver and volunteers to make Thai society a truly sharing society.

Happy Money Project

Driving the organization to be able to operate efficiently, it is necessary to rely on the full driving force from all resources, especially Employees, which are considered valuable resources. If at any time, employees lack enthusiasm for work or work unhappy and it will result in work efficiency and organizational effectiveness in the end. One of the important reasons is financial problems of employees, whether it is a debt problem from over-spending behavior, increased burden of the dependents, or various unexpected events which lacks financial planning and lack of consultants with expertise that will help solve financial problems and cope with those unexpected events. The company recognizes the importance of working life of employees. Therefore the company arranges a financial training program for 158 employees who participated in the project.



Scholarship for Employee's Children

TV Direct Public Company Limited has welfare for scholarships for Employee's Children by granting scholarships in August of each year. In the year 2018, 40 scholarships were granted, totaling 140,000 Baht. The scholarships were divided into 4 levels, consisting of 10 scholarships for elementary levels, 2,000 Baht per scholarship, 10 scholarships secondary schools, 3,000 Baht per scholarship, 10 scholarships for vocational education, 4,000 Baht and scholarships undergraduate degree, 5,000 Baht per each.

Cooperative Education Project

TV Direct Public Company Limited together with leading educational institutions organize a cooperative education project, which is an educational system that focuses on working in a systematic workplace by providing education in schools together with arranging for students to actually work at the workplace. The work that students practice will match the students' field of study, focusing on learning by using experience from real work as a primary or work-based learning or on special project that is useful for the establishment such as improving, increasing efficiency or solving problems of work processes. Students can complete the work with in 4 months, allowing students to learn and gain work experience as well as to have the quality that meets the needs of most establishments. In the year 2018, there were 37 students in attendance.



Employment of People with Disabilities

TV Direct Public Company Limited joins to promote and improve the quality of life of people with disabilities by helping to change the image of people with disabilities to be desired in the labor market. The company has prepared office equipment for ease of work especially for people with disabilities and currently the company employed 15 people with disabilities in the workplace. The guidelines for promoting the occupation of people with disabilities under this law are to emphasize that people with disabilities are able to do their jobs. It is not only useful for the livelihood of people with disabilities but also helps people with disabilities to be able to participate in social activities as much as the general public.

Learn@Site


TV Direct Public Company Limited aims to educate people by opening the Learn @ Site activity for students or those interested in visiting and playing the role as a staff member of the company for one full day, by working in various bases such as calling to offer products, showing product's features including direct mail design, which is considered an activity that opens the perspective for the new generation to understand the real life of work.



One Candle One Heart for the Temple

TV Direct Public Company Limited by the management and employees together offering candles and various consumables in the activity "One Candle One Heart for the Temple 2018" which is considered an important activity in Buddhism at Siripong Thamnimmit Temple.

In addition, this year the company prepares a sustainable development report. More information is available at www.tvdirect.co.th.



08

Policy and Business Overview



Vision TVD

Second to None

Mission 8

BRAND

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

PERFORMANCE



GROWTH

Organic

- Direct Shopping
- Online Shopping
- Retail Shopping

Inorganic

- Fulfillment
- Call Center
- DM Service

CUSTOMER

- Customer Intelligent
- Life Time Value
- Engagement
- Satisfaction

FULFILLMENT

- Trace & Track Technology
- Special Handling Home Delivery

PRODUCT

Problem Solving Product

- Communication
- 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

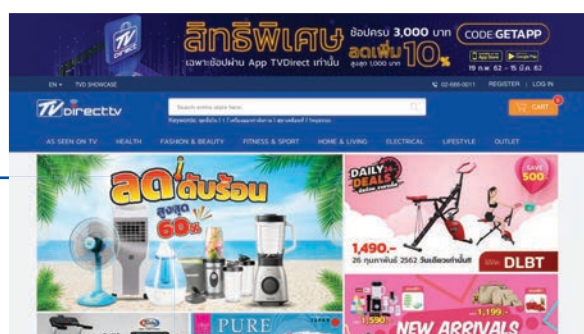
Business Operation

Business Operation

Business Operation for each section

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 offering of products and services through digital TV media and Satellite 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 2016 – 2018 is listed below:

Type of Revenue	Operated by	2016		2017		2018	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from sales and services							
1.1 TV marketing	Company	1,770.77	51.55	1,995.21	59.93	2,536.10	63.51
1.2 Direct marketing							
- Outbound Call Center	Company and Subsidiaries	396.01	11.53	348.09	10.46	387.73	9.71
- Printed Media	Company	138.27	4.03	92.12	2.77	70.08	1.76
- Website – Online	Company	117.14	3.41	129.98	3.90	246.58	6.17
- Call Center	Subsidiaries	59.47	1.73	53.52	1.61	64.93	1.63
Total Revenue from Direct Marketing	Company and Subsidiaries	710.90	20.69	623.69	18.73	769.32	19.27
1.3 Conventional Marketing							
- Retailing through Direct2U And TV Direct Showcase	Company	404.68	11.78	248.20	7.46	246.19	6.17
- Wholesaling to domestic and foreign customers	Company	70.90	2.06	35.07	1.05	37.98	0.95
Total Revenue for Conventional Marketing	Company	475.57	13.84	283.28	8.51	284.18	7.12
1.4 Services ¹⁾	Company and Subsidiaries	432.89	12.60	392.85	11.80	368.12	9.22
1.5 Other jobs ²⁾	Company	12.84	0.37	15.74	0.47	23.01	0.58
Total Revenues from Sales and Services		3,402.98	99.06	3,310.77	99.45	3,980.73	99.69
2. Other revenues ³⁾	Company and Subsidiaries	32.31	0.94	18.35	0.55	12.51	0.31
Total Revenue		3,435.29	100	3,329.11	100	3,993.24	100.00

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

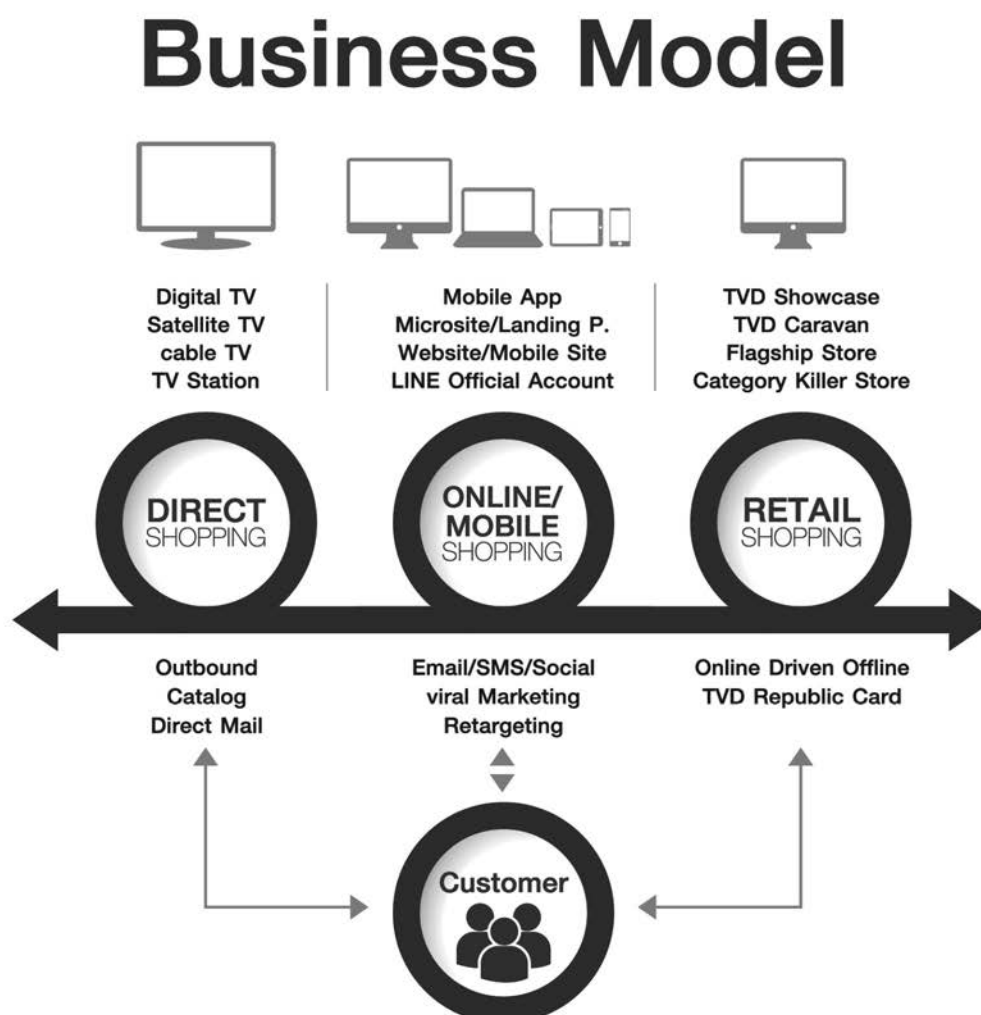
2) Other jobs mean revenue from products distribution that do not distribute through the main distribution channel.

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

Revenue from Domestic and Foreign Sales and services during 2016 - 2018

Revenue From Sales and Services	Operated by	2016		2017		2018	
		Million Baht	%	Million Baht	%	Million Baht	%
Domestic	Company	3,402.29	99.98	3,310.77	100	3,980.73	100
Foreign	Company	0.69	0.02	0.00	0.02	0.00	0.00
Total Revenue from Sales and Services		3,402.98	100.00	3,402.98	100.00	3,980.73	100

Details on business operation of segment are as follows :





DIRECT SHOPPING

This can be separate in to 3 categories as



Direct Shopping

1. TV Marketing

Description for products and services

The offering of products and services through television media is considered as a channel for earning main income of the company because most products, customers, and Thai people still perceive news, information, and entertainment via television. Moreover, television is also the main option of marketing for direct response television programs because it can directly offer products and services to the large number of target groups completely via audio and video at the same time. Therefore, television is considered has more influence on audiences than other kinds of media although there are currently many kinds of communication technologies. Currently, there are 2 main signal channels for viewing television including National Broadcasting Services of Thailand or digital TV consisted of 36 channels and Satellite Television for viewing via satellite or cable consisted of over 100 channels. To sell products, the company establishes the action plan for generating sale volume as follows:



The action plan for generating sale volume via TV marketing consists of 2 major units as follows

1. Direct Response TV

It is a kind of TV marketing via general television media including the offering of products and services through digital TV media, analog TV media, Satellite Television media, and cable TV media.

2. TV Station

It is a kind of marketing via Satellite Television receiver whereas TV Direct Public Company Limited is already licensed to operate radio or television broadcasting business from NBTC for 6 stations as well as marketing via 3 TV Stations including Satellite Television channels, TV Direct 1, TV Direct 2, and TV Direct 3.

1. Direct Response TV (DRTV)

To sell products and do TV marketing via television media in 2018, most media chosen by the company is digital TV because digital TV currently becomes the media that most Thai people feels familiar with its channels and programs. In addition, new TV programs and TV stations also play the roles and become famous for varied by program formats and target groups. According to data on TV rating of AGB Nielsen Media Research (Thailand) that surveyed TV rating of Thailand in 2018, it was found that viewing base started to be distributed to new TV stations. Audiences did not have loyalty to analog TV channels as they used to be whereas analog system was already terminated. Channel ordering under Must Carry Rule as defined by NBTC also plays the role in making the number of channels and audiences to view televisions via the same format of TV channels throughout Thailand.

NBTC Concluded overall 2018 TV Rating of 12 months into 25 ranks as follows

25 อันดับ TV RATING ปี 2561					
อันดับ	ช่อง	เรตติ้ง	อันดับ	ช่อง	เรตติ้ง
1		1.827	13		0.142
2		1.331	14		0.125
3		0.853	15		0.121
4		0.810	16		0.081
5		0.530	17		0.075
6		0.527	18		0.042
7		0.410	19		0.041
8		0.313	20		0.035
9		0.309	21		0.031
10		0.189	22		0.029
11		0.175	23		0.024
12		0.164	24		0.020
			25		0.019




สำนักงานนโยบายและวิชาการกระจายเสียงและโทรทัศน์
สำนักงาน กสทช.

2. TV Station

Our products are sold and marketed through TV marketing via Satellite Television receiver in C Band system and KU Band system whereas TV Direct is licensed to operate radio or television broadcasting business from NBTC for 6 stations as well as marketing via 3 TV Stations including Satellite Television channels, TV Direct 1, TV Direct 2, and TV Direct 3. Program Schedule is set in the form of 24-hour Home Shopping program with 48-50 sale items per day per station. Audiences people are most Thai people because most Thai people currently have devices for viewing televisions and most of them also prefer using Satellite Television receiver due to high resolution, numerous channels, stable signal in all weather conditions, free service charge, and affordable expenses for installation.

According to Must Carry Rule of NBTC defining digital TV to have channel from the first 1st -36th channel, the following channels from Channel 36 are almost direct response television programs. To increase rating for better sale volume, TV Direct do marketing by ordering channels of those three stations to be in the priority number that can be recognized and remembered easily through Satellite Television receiver as follows:

In 2018, station channels of TV Direct and order of channels in Satellite Television receiver are as follows:

<p>ឆ្នេរ TV Direct 1</p> 	<ul style="list-style-type: none"> To be available by using all series of PSI boxes at the main channel To be available by using all series of BIG4 boxes at the main channel BIG4 includes the boxes from 4 companies: info Sat, Thai Sat, Idea Sat, Leotech To be available by using all series of GMMZ boxes at the main channel To be available by using all series of IPM boxes at the main channel 	<p>39</p> <p>40</p> <p>66</p> <p>39</p>
<p>ឆ្នេរ TV Direct 2</p> 	<ul style="list-style-type: none"> To be available by using all series of PSI boxes at the main channel To be available by using all series of BIG4 boxes at the main channel BIG4 includes the boxes from 4 companies: info Sat, Thai Sat, Idea Sat, Leotech To be available by using all series of IPM boxes at the main channel 	<p>40</p> <p>45</p> <p>40</p>
<p>ឆ្នេរ TV Direct 3</p> 	<ul style="list-style-type: none"> To be available by using all series of PSI boxes at the main channel To be available by using all series of BIG4 boxes at the main channel BIG4 includes the boxes from 4 companies: info Sat, Thai Sat, Idea Sat, Leotech To be available by using all series of IPM boxes at the main channel 	<p>55</p> <p>37,55</p> <p>55</p>

Channel ordering is considered as another opportunity to approach the largest number of audiences and purchasers directly.

Another element of generating viewing is Home shopping programs with attractive Show Hosts with stars or celebrities as special guests. All 3 channels of TV Direct select all Show Hosts that are attractive with good personality as well as present products with stars as real users for demonstrating products. Moreover, we also add program content with amusement, entertainment, and interest making audiences to chose to view TV Direct channels without switching to other channels. For our production and broadcasting, we choose products that are interested and demanded by audiences and most of them are necessary for all households. We also make our channels to be variety with easy demonstration abd appropriate product price plus with attractive promotions. Consequently, our sale volume via these 3 channels of TV Direct could achive our goal in 2018.

To establish the action plan for selling products via television media, it is necessary to have marketing process and operational policies that can make our business successful. Our operations can be ordered through the following units:

- | | |
|--|--|
| 1. Merchandise Marketing | Procuring products and determining marketing and promotions |
| 2. Production | Producing direct response television programs |
| 3. Media & Broadcast | Scheduling Program Schedule and Broadcasting Schedule |
| 4. Call Center & Tele Marketing | Employee team for answering customers' calls, selling products, and providing services |
| 5. Data System | Database and MIS |

Merchandise Marketing : Product Procurement, Sale Volume Generating, Marketing and Promotions

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, sunglasses etc. and health products like trademill, exercise machine, massage char, supplementary food product, elderly products like walking aids, Big Vision glasses. 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.

In 2018 TV Direct had some popular products that cold generate volume as follows:

Exercise Machine: TV Direct is always the Leader of Exercise Machine



Health and Beauty Products



The Innovative Products with Good Sale Volume: Eagle Eyes and Big Vision Glasses



Precious gifts for every festival



It is necessary for the company to have more various products in order to respond to demands of audiences in various groups and many households throughout Thailand. In addition, it is also necessary for the company to emphasize on invented, innovative, quality, and standard products. When producing direct response television programs with these products, good rating and confidence of consumers will be obtained leading to organizational value and regular sale volume in every month.

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. In addition, we also guaranty our products for confidence of our customers.

Production of Home Shopping Program

For Production Team, we have a team with expertise on producing all types of direct respons television programs including: Informercial with scientific and health content and information based on innovative principles and concepts; Home Shopping that is currently preferred because it can provides product information, product selling, product demonstration straightforwardly. Home Shopping is admired by audiences because it can sell products immediately; TVC spot (advertising sport for selling products with the duration of 1-2 minutes) that is suitable for advertising air time of each program. Content of TVC spot is longer than general advertising spots because it is necessary to provide complete information for selling such product.

For production process of direct response television program, our product team emphasizes on producing the quality programs with high quality audio and video as well as with identity on colors and logo of TV Direct in order to build TV Direct brand recognition. In every shooting, we always stress that products of TV Direct are authentic with guaranty on satisfaction which customers can return products within 30 days that is different from product selling of other companies.

For content, our production team will bring some stars, actors, actresses, celebrities, models, or experts to provide understanding on each product in order to make audiences feel amused, interest, and reliable with our programs. Consequently, we can increase rating properly. To produce TV programs, TV Direct always complies with rules and regulations on broadcasting as defined by the Board of Film and Television Classification, NBTC, and government agencies. Consequently, the company could broadcast our programs via various channels with number one sale volume and rating in 2018 as same as previous years.



Media Planning for Broadcasting Direct Response Television Programs

Our media team plays an important role to present products and direct response television programs to audiences and purchasers by selecting TV stations and air time for broadcasting including digital TV stations and Satellite Television channels. Schedule and product selection are considered as the skills and expertise of TV Direct's media team that have always been performed properly. In addition, our media team also has database on rating from AGB Nielsen Media Research (Thailand). Based on database on product sale report of TV Direct Public Company Limited and database on product sale report of other major competitors, our broadcasting plan is still efficient to generate sale volume of our products and services. When calculating broadcasting media cost, we also find that our sale volume and rating is still good and meet with our goal.

Currently, the formats of direct response television programs of TV Direct can pass sensor process and can be broadcasted in Infomercial and Home Shopping formats. Consequently, our programs can be seen by audiences via most digital TV channels for 24 hours. The important mission of media team is evaluating sale performance after broadcasting by checking response through the report for comparing sale volume and advertising budget as the data for planning and adjusting media, shows, products, and promotions. In addition, media team has to select and purchase advertising media efficiently in order to make sale volume and Gross Profit to meet with the goal of the company.

อันดับแบรนด์ที่ใช้โฆษณาสูงสุด ปี 2561

	ปี 2561	ปี 2560
1	2,085,000,000 บาท	880,846,000 บาท
2	1,108,173,000 บาท	659,806,000 บาท
3	981,272,000 บาท	860,998,000 บาท
4	723,506,000 บาท	625,792,000 บาท
5	712,957,000 บาท	552,177,000 บาท
6	707,344,000 บาท	684,682,000 บาท
7	702,769,000 บาท	639,139,000 บาท
8	652,421,000 บาท	648,355,000 บาท
9	626,689,000 บาท	472,183,000 บาท
10	606,326,000 บาท	71,104,000 บาท

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	ปี 2561	ปี 2560
1	3,804,851,000 บาท	3,722,072,000 บาท
2	2,462,580,000 บาท	1,966,696,000 บาท
3	2,085,000,000 บาท	880,867,000 บาท
4	2,017,618,000 บาท	1,994,508,000 บาท
5	1,545,476,000 บาท	1,350,748,000 บาท
6	1,404,923,000 บาท	1,125,609,000 บาท
7	1,362,257,000 บาท	1,375,532,000 บาท
8	1,327,739,000 บาท	1,063,298,000 บาท
9	1,154,883,000 บาท	1,059,698,000 บาท
10	1,154,194,000 บาท	932,368,000 บาท

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Call Center & Tele Marketing : Inbound sale persons

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 enjoy introducing the product and know 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 as broadcasting plan. There must be the leader to solve the problem for the team, create efficiency, and coordinate with different agencies in order to obtain good and complete work.

Sales team will coordinate with delivery team to deliver products to customers rapidly and correctly as informed. Although products are currently various and increasing, delivery department already manages delivery process to deliver products to purchasers correctly, rapidly, and timely. At present, 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 for 19 years.



Data System

Databases and network connection are important part that must be completed, fast, and accurate. MIS plays an important role to check, develop, and upgrade the database regularly to send the efficient report to different teams every morning and data can be viewed real time so that sale volume can be checked promptly. Sending report and data via technologies in this era can be view at anytime and any place. With report programs consisted of complete, clear, and sufficient information, it can be analyzed and managed. Consequently, sale volume generating in all marketing fields of the company can be performed properly as same as previous years.

TV Direct also gains many benefits from database on customers, products, and sale in developing income generating for all businesses under the company group including Outbound and Broker. With this network system that can connect business information with all sectors potentially, work process of all sections starting from importation, exportation, sales, delivery, facilitating all units through correct information based on the same database, our executives and team are able to apply all reports for analysis, planning, and management under work process of all sections. Consequently, reports on sale volume and profit are able to be submitted to Top Manager timely every month.

General Competition and Competitors

Televisions are considered as a kind of entertainment that is preferred by Thai people as family media therefore media team will purchase media based on sale plan of such products and services from digital TV stations mainly. These digital TV stations are selected based on their rating from database of AGB Nielsen Media Research (Thailand) whereas data on number of audiences and target groups will be applied to purchase advertising media while statistics on Call in, purchasing record that are database of the company will be applied to analyze on media planning efficiently.

For overall condition of 2018, it was considered that economy and sale volume of the company was not outstanding as expected due to the large number of competitors causing higher number of product selling via TV media, price cutting, and promotions. In addition, these competitors were big companies with various types of business and many of them were also the owners of digital TV stations. Consequently, the competition of direct response television programs was so intense that could be noticed from televisions with the large number of direct response television programs that sold similar products with different price and promotions. Some customers may feel surprise when they could buy some products with cheaper price and get many premiums. However, Tv Direct still emphasized on authentic, quality, and standard products with guaranty on satisfaction. Therefore, all teams in all sections must have skills and agility to adjust TV production and product selling to be more rapid and flexible.

Currently, audiences also have more various channels on media exposure due to accessibility to IT technologies therefore the company develops more channels for selling products via online media. TV Direct also establishes the action plan that is consistent with preference of Thai people because customers will be able to call for obtaining some information and ordering via Inbound Call Center as well as be able to scan QR Code or contact us via Facebook, Line, in order to provide communication channels and convenience on ordering products via all channels.

To offer products via television, it is necessary to present products with appropriate pricing plus with interesting promotions in order to stimulate audiences to be interested and stop for watching and ordering such product immediately. Although there are some competitors broadcasting on the same air time, TV Direct must do marketing on price, product, and promotion or even premium to attract audiences differently. There for, Merchandise Team and Production Team are responsible for monitoring competitors with better knowledge and understanding on products whereas the company has already prepared information to provide to our teams in order to enable them to produce shows and generate sale volume. Consequently, Tv Direct still can maintain marketing status as the leader of direct response television programs as same as previous years.



2. Outbound Call Center

(1) Description for products and services

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

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

(2) Marketing and Competitive Situations

(2.1) Marketing strategic plan and monthly sales

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

(2.2) Target group

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

(2.3) Competitive situations and the economy

Since economic and political situation of 2018 in national and international level, especially domestic political situation and natural disasters causing consumers to pay more attention on spending money, had some effects on sale volume of the company, our sale volume could reach only 85% from the goal due to higher number of competitors in the same industry causing higher number of market shares, and changing behaviors of purchasers on focusing on cheaper price with more frequency on purchasing as well as focusing on online media for ordering products. Consequently, the sale volume of sale department was decreased by 15%. However, Sale department already adjusted strategies for maintaining existing customer base therefore we could obtain sale volume from our existing customers with loyalty with the company. In addition, Sale Department also add more strategies to procure products that are valuable and can meet with properties as demanded by customers along with expenses control.

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 of the company and local well-known manufacturer, and have been delivered to customers and allies as per the selected customers' database to inform on products and services.

(b) Leaflet, brochure, direct mail, newspaper, magazine and other publication are used as products and services and promotion presentation every month by sending to 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 8 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

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“เหตุผลที่คุณควรใช้
เครื่องไล่หนูและแมลงสาบ”

เพียงคุณเสียบ Pest Free ที่ปลั๊กไฟภายในอาคาร TECHNOLOGY ของเครื่อง Pest Free จะทำงานโดยการปล่อย คลื่นแม่เหล็กไฟฟ้า (Electromagnetic) ความถี่ต่ำกว่า 27 ฐานแบบ ไปตามสายไฟภายใน อาคารของท่าน ครอบคลุมพื้นที่ 200 ตร.ม. ซึ่งคลื่นแม่เหล็กไฟฟ้า ที่ส่งออกไปนั้นจะไม่ส่งผลกระทบต่อระบบคมนาคมไร้สาย ของคุณและ แมลงสาบ ทำให้ระบบการสื่อสารและระบบการบริการของคุณจะปลอดภัย ไม่เกิดความผิดพลาด กินอาหารและน้ำไม่ได้ถูกทำให้หลงทิศทางจนพัวพัน ไม่สามารถอาศัยหรือทำรังภายในอาคารของท่านได้ และจะหนีออกไปในที่สุด

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2.5 เมตร
2.5 เมตร

CE

霸王 BAWANG

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ONLINE SHOPPING

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 accessed and ordered by purchasing products through the websites conveniently through 24 hours by using many electronic gadgets.



Online Shopping

(1) Description for products and services

Online Shopping System (E-Commerce, Mobile Commerce, Social 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 accessed and 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 have 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 200,000 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 items up to 5,000 items

covering all product categories to serve all demands of target group in 2019.

Moreover, the marketing and sales promotion activities have been designed to fully cover all online media including offline, online and social media i.e. Facebook. At present, Fanpage TV Direct has over 290,000 likes and we become a partner in joint marketing. In 2018, the number of Facebook users in Thailand is over 50 million users and there are 40 million users in Line channel. The Company is developing our system for linking with Line Business Connect and launce LINE OA in the 2nd quarter. This wil enable us to have the potential to reach customers effectively. For Google/Youtube: we has partnered with Google/Youtube and make Joint Business Plan for planning media and introduce Google services to expand our business and marketing for TV Direct both Online and Offline.

In order to expand its customers base and sales figure, TV Direct emphasizes on using Omni-Channel strategy, opening Official Shop in all leading marketplace in Thailand such as lazada.co.th, shopee.co.th and JD Central to reponse to the demand and to be able to reach our target group with the highest efficiency based on partnership principle and long term joint business plan.

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

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.



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. Selecting and developing all levels with modern information system for efficient recruitment. Promoting self-learning for our personnel. As a result, our personnel has knowledge and can perform work efficiently.

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

as Thai people are familiar with.

(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, 2018, there are 87 “TV Direct Showcase” retail shops, situated in communities, leading department stores, and modern trades as per list below.

As at December 31, 2018, there are 87 “TV Direct Showcase” retail shops, situate in communities, leading department stores, and modern trades as per list below.

Province	Qty	Location
Bangkok	12	(1) Head office (2) Central Plaza -Rama 2 (3) 4026,4028,4030 Soi Jakawarn cinema, Asoke-Dindaeng, Dindaeng, Bangkok 10320 (4) 296 Panitchakarn Thonburi road, Watthaphra, Bangkokyai, Bangkok (5) The Mall –Bangkapi (6) The Mall -Ram Kham Haeng (7) Seacon Square – Srinakarin (8) Fashion Island (9) Supreme Complex –Samsaen (10) Paradise Park (11) Seacon -BangKae (12) Plearnary Mall- Watcharapol
Nonthaburi	5	(1) 26/11 Liangmuang NonthaburiRoad, Talard Quan, Muang District, Nonthaburi 11000 (2) Homeworks Shopping Mall, Ratchapruek (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 73000 (2) Central Plaza Salaya
Samutprakan	2	(1) 2014/2 Moo 1, Tayparak Rd., Samrong Nua, Samutprakan 10270 (2) Imperial World – Samrong
Samutsakhon	1	1300/93, Ekkachai Rd., Mahachai, Muang District, Samutsakhon 74000
Phetchaburi	2	(1) 680/47-48, Moo. 5, Banmor, Muang District, Phetchaburi 76000 (2) Robinson Department Store, Phetchaburi
Ratburi	2	(1) 178/5-6, Phetkasem Rd., Nar Muang, Muang District, Ratburi 70000 (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 72000
Kanchanaburi	2	(1) 44-46, Saeng Chootoe Road, Muang District, Kanchanaburi 71000 (2) Tesco Lotus, Kanchanaburi branch
Nakhonsawan	1	152/5-6 Sawam Wethee Rd., Parknampoe, Muang District, Nakhonsawan 60000

Province	Qty	Location
Singburi	1	TOP PLAZA Shopping Center, Singburi
Chonburi	4	(1) 112/177, Moo. 1, Samed, Muang District, Chonburi 20000 (2) 70/23-24, Moo. 11, Nong Prue, Banglamung, Chonburi 20150 (3) Pacific Park Shopping Center, Sriraja (4) Central Plaza Chonburi
Chanthaburi	1	30/255 Moo. 7, Chantanimit, Muang District, Chanthaburi 22000
Rayong	2	(1) 65/19, Chanta Udom Rd., Ta Prodo, Muang District, Rayong 21000 (2) Passion Department Store, Rayong
Chacengsao	1	Robinson Department Store, Chacengsao
Prachinburi	2	(1) 592/34-35, Moo. 7, Tatoon, Srimahaphot, Prachinburi (2) Robinson Department Store, Prachinburi
Saraburi	1	184 Phahon Yothin Rd., Park Praew, Muang District, Saraburi 18000
Lopburi	1	136 Narai Maharaj Rd., Talay Chupsorn, Muang District, Lopburi 15000
Chiangmai	2	(1) 38/12-13, Chiangmai – Lampang Rd., Changphuek, , Muang District, Chiangmai 50300 (2) Central Airport Plaza, Chiangmai
Chiangrai	2	(1) 149/4, Moo. 11, Tessabarn Bando, Phahon Yothin Rd., Muang District, Chiangrai 57100 (2) Central Plaza Shopping Center, Chiangrai
Phitsanulok	2	(1) 399/2-3, Barom Trilokkanart 2 Rd., Naimuang, Muang District, Phitsanulok 65000 (2) Central Plaza Shopping Center, Phitsanulok
Payao	1	TOP PLAZA Shopping Center, Payao
Nan	1	Namthong Nan Prooject, 300/161, Moo. 6, Kutai, Muang, Nan 55000
Kampangpetch	1	252/8, Charoensuk rd., Naimuang, Muang, Kampangpetch
Phichit	1	(1) TOP Plaza Phichit
Nakhonratchasima	3	(1) 223, 225 Mittrapab Rd., Naimuang, Muang District, Nakhonratchasima 30000 (2) The Mall Shopping Center, Korat (3) Terminal 21 – Korat
Chaiyaphum	1	Robinson Deapartment Store, Chaiyaphum
Yasothon	1	406/25, Vitayathomrong Rd., Naimuang, Muang District, Yasothon 35000
Khonkaen	2	(1) 588/31, Moo 5, Muangkao, Muang, Khonkaen 40000 (2) Fairy Shopping Center, Khonkaen
Roi-et	2	(1) 288/21, Moo 7, Niwet, Thawatburi, Roi-et 45170 (2) Robinson Department Store, Roi-et
Udonthani	1	(1) 333/ 65, Moo 3, Samphrao, Muang, Udonthani 41000
Ubonratchathani	1	188,190 Upparaj Rd., Naimuang, Muang District, Ubonratchathani 34000

Province	Qty	Location
Buriram	2	(1) 40/7, Thani Rd., Naimuang, Muang, Buriram 31000 (located near Isuzu showroom) (2) Robinson - Buriram
Prachuapkirikhan	2	(1) Huahin Market Village Shopping Center (2) 99/5, Maharat Rd., Prachuapkirikhan Sub-district, Prachuapkirikhan District, Prachuapkirikhan Province 77000
Surat Thani	2	(1) 263/4-5 Chonkasem Rd., Talad, Muang District, Surat Thani 84000 (2) Tesco Lotus, Surat Thani
Nakhon Sri Thammarat	2	(1) 88/16 Pattana Kukwang Rd., Nimuang, Muang District, Nakhon Sri Thammarat 80000 (2) Robinson Ocean - Nakhon Sri Thammarat
Phuket	1	110/1 Wichit Songkram Rd., Talard Nua, Muang District, Phuket 83000
Songkhla	2	(1) 488/5 Phetkasem Rd., Haadyai, Songkhla 90110 (2) Diana Shopping Center, Hadyai
Pattani	1	300/67-68 Nongjik Rd., Rusamilae, Muang District, Pattani 94000
Trang	2	(1) Robinson Shopping Center, Trang (2) 491, Phatthalung Rd., Tabtiang, Muang, Trang 92000 (Located opposite Rua Rasada Hotel)
Chumphon	1	2/2, Thaweesinka Rd., (PTT station, Thongmee), Thatapao, Muang, Chumphon 86000
Yala (Betong)	1	117, Jabtarochai Rd., Betong, Betong, Yala 95110 (Located nest to
Krabi	1	Taejew Association)
Phetchabun	1	464/7, Udonkit Rd., Krabi Yai, Muang, Krabi 81000
Mukdahan	1	52/45 Taepa Pattana Rd., Naimuang, Muang District, Phetchabun Robinson, Mukdahan
Total	87	

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, SportMall, Thai Watsadu
- (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.

(2.4) Overall industry

Retailing and wholesaling business in 2018 is relatively slow that it reflects an decreasing competitive trend in the direct sales business but the business can be adjusted to continue its business in terms of policy, cost reduction including differentiate retailing channel from other general retailing business. As a result, the retailing and wholesaling business of TV Direct tends to gain profit in the future.

(2.5) Competitive situation

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

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

The Company has considered competitive situations among the above operators as each individual operator has different strong points which indicate different positioning. However, the Company has policy to compete with higher competitive situation in the general marketing business by improving its retail shops for TV Direct Showcase to enable every branch to make its own profit affecting the overall picture of current business 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 readiness 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 domestic transportation, the Company will make direct delivery as follows:

(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 and we also have product delivery team in each region, totaling 200 trucks.

(b) For wholesalers in Bangkok and its vicinity, the Company's trucks will deliver products within 3 – 5 days, and for wholesalers in other provinces, the Company will hire transporters to deliver products to customers within 5-7 days.

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 supervisory agencies. Product to be sold to consumer especially 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 and service 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 2016 - 2018

(Unit : Million Bath)

	2016	2017	2018
Amount of product returned	10.31	12.63	17.35

Dependence on Customer

In 2018, 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 2016 - 2018

Purchasing Order	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Products	260.9	27.51	435.74	51.86	955.58	71.12
Foreign Products	687.51	72.49	404.46	48.14	388.07	28.88
Total Purchasing Amount	948.42	100.00	840.20	100.00	1,343.65	100.00

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

- House Brand is a trademark owned by the Company. Currently there are 3 trademarks owned by the Company.
 - Fatis, a dietary supplement.
 - Welness, a health product
 - Nuvite, a beauty product

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

- 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 specified area. Main products that the company has been appointed as a distributor are:

(A) Velform Hair and Velform Hair2 : 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.

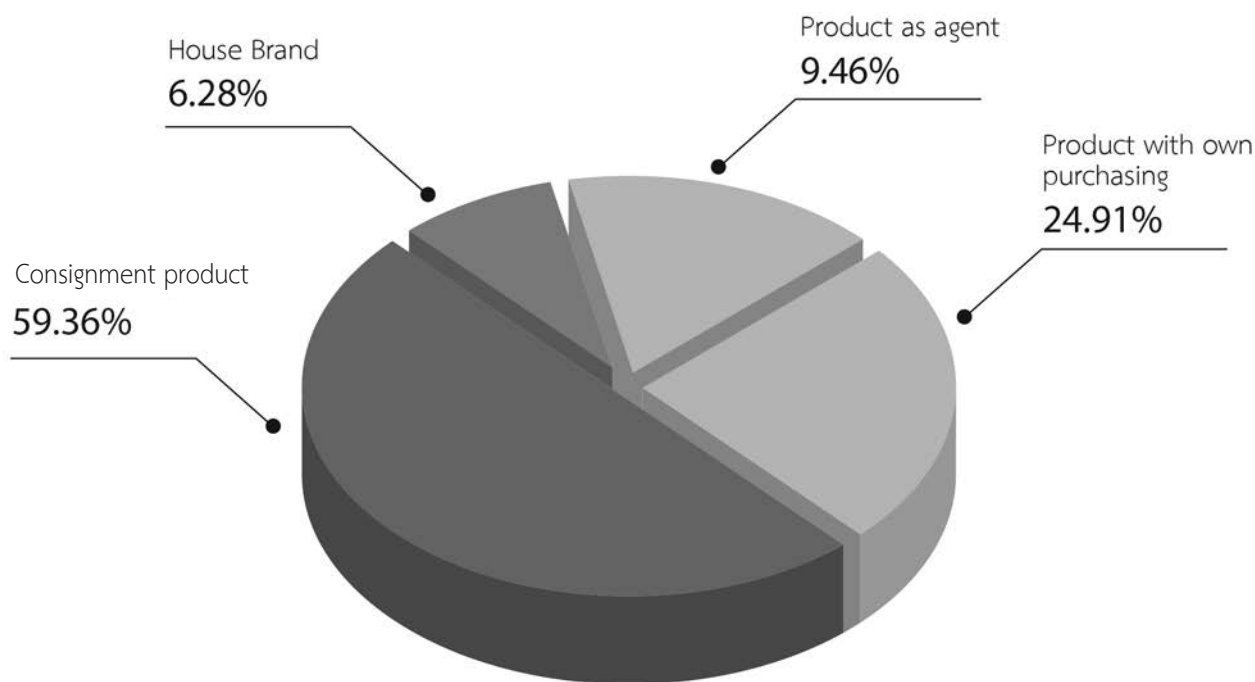
(D) Pest Reject products under the brand, Pest Free: The Company has been appointed by Pest Free Australia Pty Limited to be the Exclusive Distributor in Thailand.

(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. These products include beauty product, kitchenware, home appliances or technology products. At present, products sold through home shopping and online are mostly consignment. This will greatly reduce the risk of product stocking costs for the company.

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



Dependence on distributor

In 2018, 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, Bangkase School Alley, Lieb Khlong Song Nam 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 42 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 3.9 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 main tenance 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 mmediately.
- (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, 2018 to October 27, 2028, 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 19 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 3.9 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, 2018, the Company had registered capital of Baht 406,433,344 which could be separated as ordinary shares of 812,866,688 shares at par value of 0.50 Baht per share, and the paid up capital of Baht 325,157,632.50 which consisted of the ordinary share of 650,315,265 shares at par value of 0.50 Baht per share.

Shareholders

List of the first 10 major shareholders as of December 31, 2018 can be summarized as below :

NO	Name	No. of Shares	%
1	TRI-STAGE INC ¹	97,690,000	15.02%
2	Mr. Songpol Shanmatkit	55,433,575	8.52%
3	USE Electronics Co., Ltd. ²	52,246,317	8.03%
4	Mr. Prayuth Ueawattana	32,220,000	4.95%
5	Mr. Chaiyarn Ueawattana	29,800,000	4.58%
6	Mr. Ekkachai Satthabongkot	27,000,000	4.15%
7	Mr. Boonchou Wirojwattanukul	18,746,489	2.88%
8	FUJI MEDIA HOLDINGS, INC. ³	15,794,997	2.43%
9	ITOCHU CORPORATION ⁴	15,794,997	2.43%
10	Miss Issara Vitayathanakorn	11,810,730	1.82%

Remark ¹ Shareholders of TRI-STAGE INC

Name	Number of shares	Shareholding ratio
Akio Maruta	6,572,400	21.53%
Sojitz Corporation	5,782,400	18.94%
Isao Senoo	4,272,400	13.99%
Tri-Stage Inc.	1,389,360	4.55%
Kyohei Nakamura	1,344,000	4.40%
Yuji Hagiwara	155,300	0.50%
Aya Imaizumi	132,800	0.43%
Mitsuo Kobayashi	130,900	0.42%
Employee stock ownership	89,700	0.29%
Yutaro Suzuki	67,200	0.22%

Remark ² Shareholders of USE Electronics Co., Ltd.

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

Remark ³ Shareholders of FUJI MEDIA HOLDINGS, INC.

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

Remark ⁴ Shareholders of ITOCHU CORPORATION

Name	Number of shares held (1,000 shares)	Shareholding 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	: 645 million yen																														
Number of Employees	: 337 (consolidated), 158 (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	: <table border="0"> <tr> <td>March 2006</td><td>Tri-Stage Inc. established in Minato-ku, Tokyo</td></tr> <tr> <td>Aug 2008</td><td>Shares listed on the Mothers section of the Tokyo Stock Exchange</td></tr> <tr> <td>Nov 2012</td><td>Mail customer center Co., Ltd. converted to a subsidiary (now a consolidated subsidiary)</td></tr> <tr> <td>Mar 2014</td><td>Headquarters relocated within Minato-ku, Tokyo</td></tr> <tr> <td>Sep 2015</td><td>Opened the Kansai Branch</td></tr> <tr> <td>Feb 2016</td><td>Invested in PT. Merdis International</td></tr> <tr> <td>Mar 2016</td><td>Nippon Department Store Inc. became a consolidated subsidiary</td></tr> <tr> <td>Mar 2016</td><td>Established consolidated subsidiary Nippon Healthcare Advisors Inc.</td></tr> <tr> <td>Apr 2016</td><td>Capital and Business Tie-up with Sojitz Corporation</td></tr> <tr> <td>Jul 2016</td><td>TV Direct Public Company Limited became an associate company</td></tr> <tr> <td>Sep 2016</td><td>JML Singapore Pte. Ltd. became a consolidated subsidiary</td></tr> <tr> <td>Dec 2016</td><td>PT. Merdis International became a consolidated subsidiary</td></tr> <tr> <td>Mar 2017</td><td>Nippon Healthcare Advisors Inc. Started the Direct selling business</td></tr> <tr> <td>Mar 2017</td><td>Adflex communications inc became a consolidated subsidiary</td></tr> <tr> <td>Apr 2017</td><td>Established consolidated subsidiary Tri-Stage Merchandising (Thailand) Co., Ltd.</td></tr> </table>	March 2006	Tri-Stage Inc. established in Minato-ku, Tokyo	Aug 2008	Shares listed on the Mothers section of the Tokyo Stock Exchange	Nov 2012	Mail customer center Co., Ltd. converted to a subsidiary (now a consolidated subsidiary)	Mar 2014	Headquarters relocated within Minato-ku, Tokyo	Sep 2015	Opened the Kansai Branch	Feb 2016	Invested in PT. Merdis International	Mar 2016	Nippon Department Store Inc. became a consolidated subsidiary	Mar 2016	Established consolidated subsidiary Nippon Healthcare Advisors Inc.	Apr 2016	Capital and Business Tie-up with Sojitz Corporation	Jul 2016	TV Direct Public Company Limited became an associate company	Sep 2016	JML Singapore Pte. Ltd. became a consolidated subsidiary	Dec 2016	PT. Merdis International became a consolidated subsidiary	Mar 2017	Nippon Healthcare Advisors Inc. Started the Direct selling business	Mar 2017	Adflex communications inc became a consolidated subsidiary	Apr 2017	Established consolidated subsidiary Tri-Stage Merchandising (Thailand) Co., Ltd.
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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	: Junko Kato
Capital	: NT\$66,144,000 (US\$2,203,700/Current as of July 2018)
Annual Turnover	: US\$68 million (FY2018)
Number of Employees	: 318 persons (Current as of June 2018)
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)	: 7,484 (As of March 31, 2018)
Consolidated Net Sales	: ¥646,536 million (Year ended March 31, 2018)

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	: 4,380 (as of april 1,2018)
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

Warrants to purchase ordinary shares No.2 (TVD-W2)

On April 5, 2018, the Company issued warrants to purchase the Company's ordinary shares No.2 (TVD-W2) offering to the existing shareholders at the ratio 4 existing shares to 1 warrant. The details are as follows :-

Type of warrants	: Issued in the names of respective holder and negotiable
Term of warrants	: 3 years from the issuing date
Number of warrants offered	: 162,573,338 units
Exercise ratio	: 1 warrant per 1 ordinary shares
Exercise price	: Baht 1 per share
Trade date	: April 30, 2018
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 June 2018.
The last exercise date	: April 2, 2021

On November 27, 2018, there is the Right adjustment of the Warrants (TVD-W2) as a result of the interim dividend payment as follows :-

Previous Right Adjustment

Exercise Price Baht 1.00 per share
Exercise Ratio 1 unit per 1 share

After Right Adjustment

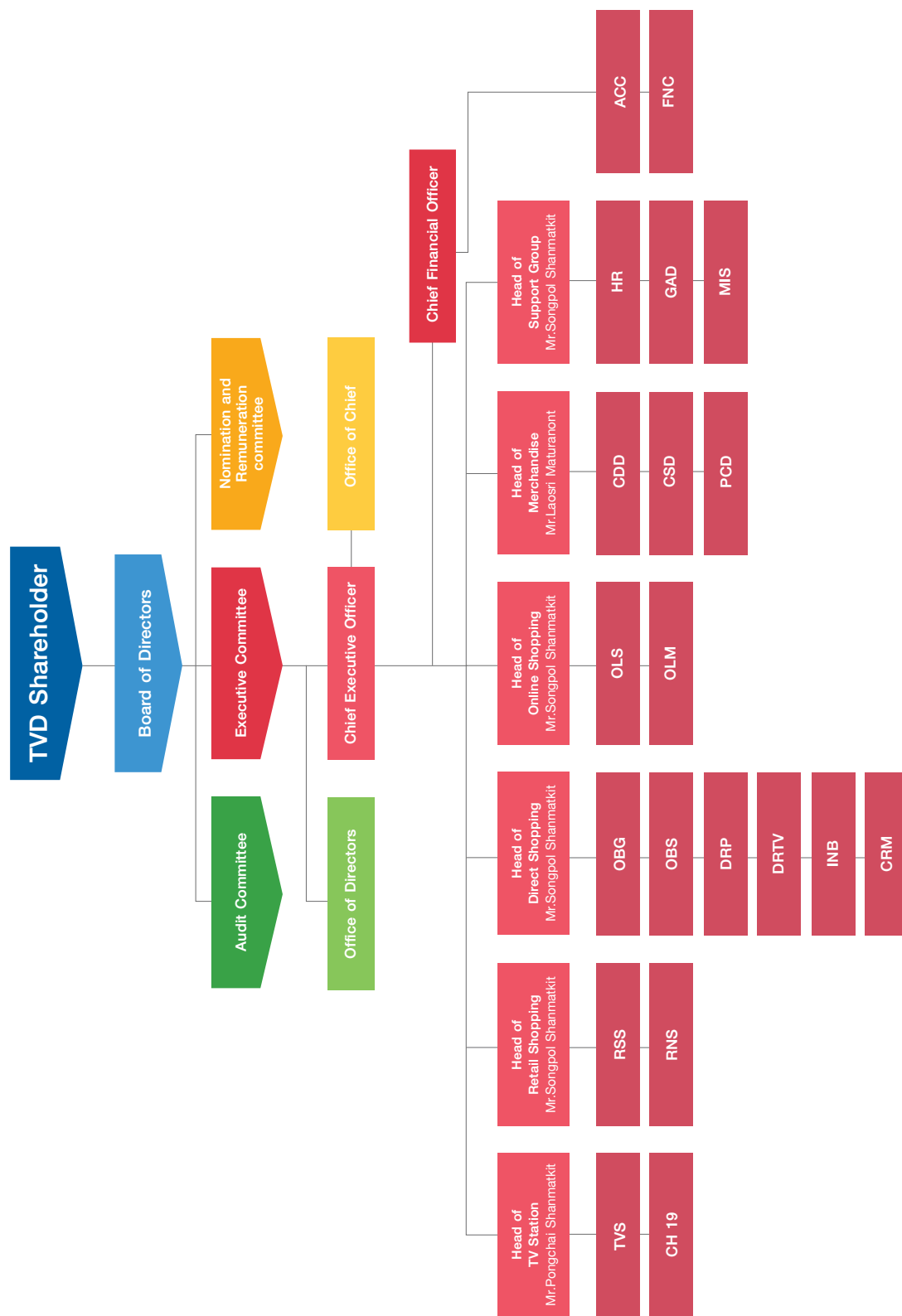
Baht 0.998 per share
1 unit per 1.002 share

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, 2018)



Remark : The Company transferred the Business Support service units ex. Accounting, Finance, Management Information System (MIS) Human Resource (HR) and General Administration (GA) from TVD Services Co., Ltd., a 100% Subsidiary of the Company to the Company, since October 1, 2018. .

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, 2018, 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. Mr. Chalermpong Mahavanidvong	Director and Chairman of the Executive Committee
6. Mr. Takeshi Tsuji	Director
7. Mr. Lertpong Yongthanasarat	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.
- (5) Director who represents shareholders Tri-stage Inc. is Mr. Takeshi Tsuji.

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 Company's 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 and Mr. Wirasack Wirojwattanakul, are the authorized signatory directors that requires 2 of the 3 signatures jointly affix signature with the Company's seal affixed.

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

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. Supervision on information technology of the organization.

8. 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, 2018, the Company's Audit Committee consists of 3 independent members as follows :

Name	Position	Duration in Position
1. Mr. Tada Charukitpaisarn	Chairman of the Audit Committee	2 years
2. Asst. Prof. Anucha Chintakanond ¹	Audit Committee Member	2 years
3. Mr. Suthep Subsantiwong	Audit Committee Member	2 years

Remark : ¹Director 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 TV Direct Public Company Limited's 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 recommend the appointment and termination of the independent person to act as the company's auditor and the proposed audit fee . Attend the Meeting with the auditor without 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, 2018, the Company's Executive Committee consists of 4 knowledgeable persons as follows :

Name	Position
1. Mr. Chalermpong Mahavanidvong	Chairman of the Executive Committee
2. Mr. Songpol Shanmatkit	Executive Committee Member
3. Mr. Wichian Manapongpan	Executive Committee Member
4. Mr. Wirasack Wirojwattanakul	Executive Committee Member

Scope of duties and responsibilities of the Executive Committee

In the Board of Directors meeting no. 9/2015 on April 24, 2015, in which there were 3 Independent Director and Audit Committee Directors joining in the meeting, to consider the scope of authorization, 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 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. It is required to comply with the rules and procedures as prescribed by the announcement on such matter.

Nomination and Remuneration Committee

As at December 31, 2018, the Nomination and Remuneration Committee consists of 3 knowledgeable persons as follows :

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

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

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 for registered company in Thailand for 2018 was in Excellent level or CG 5 stars, which is the highest level, for 2 consecutive years (2017 - 2018) as evaluated by 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, 2018, 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/ Acting Head of Direct Shopping and Acting Head of Support Group
2. Mr. Pongchai Shanmatkit	Head of TV Station
3. Miss Laorsri Maturanont	Head of Merchandise
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 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 of the Company and its subsidiaries under definition of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. It is required to comply with the rules and procedures as prescribed by the announcement on such matter.

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 Independent Director candidate must meet the definition of Independent Director of the Company mentioned above.

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		
	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

The Company will pay Bonus fee at 10% of dividend payment but not more than Baht 6 Million, whichever is less. Calculation method are as follows:

1. One position of Director counts as 1 part; except for positions of Chairman of the Board of Directors (BOD Chairman), Chairman of the Audit Committee (ACOM), Chairman of the Executive Committee (EXCOM), Chairman of the Nomination and Remuneration Committee (RCOM) 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.

(3) Other benefits: None

The aforementioned remuneration and meeting allowance remain in effect until otherwise resolved by the Shareholders Meeting.

Remuneration for the Company's Board of Directors

In 2018, the Company paid remunerations (before deduction of withholding tax) to the Board of Directors as follows

Name	Number of Meeting / Total Meeting	Meeting Allowance in 2018	Bonus Fee paid from year 2018 Company performance ¹	Total Remuneration ² (Baht)
	2018	2018		
1. Mr. Songpol Shanmatkit	9/9	-	694,924.65	694,924.65
2. Mr. Thanabul Maturanont	9/9	90,000.00	463,283.10	553,283.10
3. Mr. Wirasack Wirojwattanakul	8/9	80,000.00	463,283.10	543,283.10
4. Mr. Chalermpong Mahavanidvong	9/9	90,000.00	308,855.40	398,855.40
5. Mr. Lertpong Yongthanasat	2/2	20,000.00	8,485.04	28,485.04
6. Mr. Tada Charukitpaisarn	9/9	180,000.00	463,283.10	643,283.10
7. Asst.Prof.Anucha Chintakanond	9/9	90,000.00	231,641.55	321,641.55
8. Mr. Suthep Subsantiwong	8/9	80,000.00	231,641.55	311,641.55
9. Mr. Takeshi Tsuji ³	4/7	-	-	-
Total		630,000.00	2,865,397.50	3,495,397.50

Remark : ¹ Bonus Fee is paid from year 2018 Company performance since the Company has paid interim dividend on December 12, 2018.

² Director Remuneration compose of Meeting Allowance and Bonus Fee.

³ Mr. Takeshi Tsuji has been appointed as the director on March 31, 2018 and denied to receive the Director Remuneration from the Company

Remuneration for the Audit Committee

In 2018, the Company had paid remunerations (before deduction of withholding tax) to the Audit Committee as follows:

Name	Number of Meeting / Total Meeting	Total Remuneration (Baht)
	2018	2018
1. Mr. Tada Charukitpaisarn	9/9	180,000.00
2. Asst.Prof.Anucha Chintakanond	8/9	80,000.00
3. Mr. Suthep Subsantiwong	8/9	80,000.00
Total		340,000.00

Remuneration for the Executive Committee

In 2018, the Company had paid the remuneration (before deduction of withholding tax) to the Executive Committee as follows:

Name	Number of Meeting / Total Meeting	Total Remuneration (Baht)
	2018	2018
1. Mr. Chalermpong Mahavanidvong ¹	16/17	270,000.00
2. Mr. Songpol Shanmatkit	16/17	-
3. Mr. Wichian Manapongpan	17/17	-
4. Mr. Wirasack Wirojwattanakul	16/17	160,000.00
Total		430,000.00

Remark : ¹Mr. Chalermpong Mahavanidvong has been appointed as the Chairman of Executive Committee on July 6, 2018.

Remuneration for the Nomination and Remuneration Committee

In 2018, the Company had paid the remunerations (before deduction of withholding tax) to the Nomination and Remuneration Committee as follows:

Name	Number of Meeting / Total Meeting	Total Remuneration (Baht)
	2018	2018
1. Mr. Phongsuree Bunnag	8/8	160,000
2. Dr. Pisut Chalakornkul	8/8	80,000
3. Mr. Songpol Shanmatkit	8/8	-
Total		240,000

Remuneration for the Executives

The Company has policy to pay the remunerations to the Executives both short term and long term as well as pay the remunerations as per the performance of the Executives. In 2018, the Company had paid the remunerations to the Executives as follows:

Remuneration for Executives	2018	
	Number of person	Baht
Salary and Bonus	4	16,997,158.20
Other remunerations such as transportation, telephone, contribution fund, Social security	4	2,970,642.75
Total	4	19,967,782.75

Remark : Remuneration for Executives in above table consists of

- | | |
|----------------------------|----------------------------|
| 1. Mr. Songpol Shanmatkit | 3. Mr. Pongchai Shanmatkit |
| 2. Miss Laorsri Maturanont | 4. 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% - 5.5% of salary as per number of year of service. In 2018, the Company has contributed to the Provident Fund for 4 Executives of Baht 518,631.23.

● Social Security Fund

The Company has provided the social security fund for the Executives with contribution of 5% of salary but not over Baht 750 per month. In 2018, the Company had contributed to the social security fund for 4 Executives of Baht 36,000.

● Refer to the resolutions of the Board of Directors' Meeting No. 2/2017 of TV DIRECT PUBLIC COMPANY LIMITED ("the Company" or TVD) dated February 23, 2017 on the approval of the Employee Joint Investment Program (EJIP) and its program period. EJIP is a project to purchase and accumulate the company's shares on a periodic basis. This is another form to give rewards to the employees of the Company and its subsidiaries.

The detail of the project are as follows:

1. The Company and its subsidiaries joining the project
 - 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

Being Type 2 or Type 3 employee who joins the Company before July 1, 2015 and having average evaluation grade for past 6 months of not less than A/B for Q3-Q4/2015 and Q1-Q4/2016, well-behaved and got normal work recorded and meet the standard determined by the Company and never be disciplined with written warning or higher punitive measures.

This will be upon voluntary of those who are eligible to participate in the project

4. EJIP arrangement

The company will deduct 3% of the salary of the eligible and voluntary employee for each month until the end of the project to accumulate into the fund and the company will pay in the amount equivalent to the accumulated amount of employees or executives who contribute into the fund every month. by Phillip Securities (Thailand) Public Company Limited which is a securities company that has been appointed to be the project operator. The accumulated funds of the project participants together with the company's contribution will be used to buy TVD shares in the Stock Exchange within the date that the company determines every month.

5. Conditions for holding the securities

Participants have the right to sell shares directly in the stock market when the project duration reaches one year (March 31, 2018) in the amount not exceeding half of the existing shares that can be sold at the end of the project (March 31, 2019), unless participants terminate to be an employee of the company, retirement, death or resignation from the project which shall be according to the conditions in the agreement between the company and the project participants

- According to the resolution of the Board of Directors of TV Direct Public Company Limited No. 6/2018 on August 10, 2018, approved and set the Employee Joint Investment Program - EJIP No. 2 where the details of the project are as follows.

1. Qualifications of project participants

- Being in the team Turn around of the Chief Executive Officer with clear and measurable work performance
- Never be disciplined with written warning or higher punitive measures.

2. Termination is divided into 2 cases

2.1 Regular resignation : Number of year of service must be at least 1 year. In the case of less than 1 year of employment, Philip Securities Company will sell the shares and contributes the money to the company.

2.2 Lay off : Philip Securities Company will sell the shares and contributes the money to the company.

3. Amount of investment proportion : 3% of the salary base (3% from employees and 3% from the company)

4. Project duration : 2 years (starting from August 1, 2018 – July 31, 2020)

5. Stock sale conditions: shares which are more than 1 year old can be sold.

6. Silent Period : 1 year

7. Date of purchase of shares : 1st day of every month

8. Intermediate operator for the project : Phillip Securities (Thailand) Public Company Limited

Employee

Number of employees

As at December 31, 2018, the Company has 928 employees by separating into various departments as follows:

Department	Number of Employee
Accounting (ACC)	25
CDD	25
CH19	24
Customer Relations Management (CRM)	39
Direct Response Printing (DRP)	21
Direct TV Department	27
Finance Department	9
General Administration Department	19
Human Resource (HR)	26
Management Information Service Department (MIS)	17
CSD	10
General Product Sales Via Phone Department (OBG)	142
Special Product Sales Via Phone Department (OBS)	139
Office of Chief (OC)	13
Office of Director (OD)	9
Online Marketing Department (OLM)	2
Online Shopping (OLS)	31
Purchasing Department (PCD)	15
Consignment and Wholesale (RNS)	30
Consignment and Transport Business Department (RSM)	3
Retail Store Sale Division (RSS)	156
TV Station Management Department (TVS)	54
Inbound Sale Department (Inbound)	92
Grand Total	928

Employee's Remuneration

Financial remuneration

In 2018, the Company had paid employees' remuneration (excluding Executives) at Baht 286,571,006.65 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% - 5.5% of salary as per number of year of service. In 2018, the Company has contributed to the Provident Fund for Employees of Baht 3,128,183.93.

- 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 2018, the Company had contributed to the social security fund for employees (excluding Executive) of Baht 6,732,161.00.

- 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. EJIP is a project to purchase and accumulate the company's shares on a periodic basis. This is another form to give rewards to the employees of the Company and its subsidiaries. The detail of the project are as follows:

1. The Company and its subsidiaries joining the project

- TV DIRECT PUBLIC COMPANY LIMITED and its subsidiaries

2. The period of EJIP

Project 1, from April 1, 2017 to March 31, 2019, totaling 2 years

Project 2, from August 1, 2018 to July 31, 2020, totaling 2 years

3. Eligible employees under EJIP

Being Type 2 or Type 3 employee who joins the Company before July 1, 2015 and having average evaluation grade for past 6 months of not less than A/B for Q3-Q4/2015 and Q1-Q4/2016, well-behaved and got normal work recorded and meet the standard determined by the Company and never be disciplined with written warning or higher punitive measures.

Project 2: Employees in the team Turn around of the Chief Executive Officer with clear and measurable work performance, well-behaved and never be disciplined with written warning of higher (yellow card) which is in accordance with the voluntary requirements of those who are eligible to participate in the project. However, this does not include Director and company consultants

4. EJIP arrangement

The company will deduct 3% of the salary of the eligible and voluntary employee for each month until the end of the project to accumulate into the fund and the company will pay in the amount equivalent to the accumulated amount of employees or executives who contribute into the fund every month. by Phillip Securities (Thailand) Public Company Limited which is a securities company that has been appointed to be the project operator. The accumulated funds of the project participants together with the company's contribution will be used to buy TVD shares in the Stock Exchange within the date that the company determines every month.

5. Conditions for holding the securities

Participants have the right to sell shares directly in the stock market

Project 1, when the project duration reaches one year (March 31, 2018) in the amount not exceeding half of the existing shares that can be sold at the end of the project (March 31, 2019),

Project 2, when the project duration reaches one year (March 31, 2019) in the amount not exceeding half of the existing shares that can be sold at the end of the project (March 31, 2020),

unless participants terminate to be an employee of the company, retirement, death or resignation from the project which shall be according to the conditions in the agreement between the company and the project participants. The project is under the approval consideration by the SEC.

● According to the resolution of the Board of Directors of TV Direct Public Company Limited No. 6/2018 on August 10, 2018, approved and set the Employee Joint Investment Program - EJIP No. 2 where the details of the project are as follows.

1. Qualifications of project participants

- Being in the team Turn around of the Chief Executive Officer with clear and measurable work performance
- never be disciplined with written warning of higher (yellow card)

2. Termination is divided into 2 cases

2.1 Regular resignation: Number of years of service must be at least 1 year. In the case of less than 1 year of employment, Philip Securities Company will sell the shares and contributes the money to the company.

2.2 Lay off: Philip Securities Company will sell the shares and contributes the money to the company.

3. Amount of investment proportion: 3% of the salary base (3% from employees and 3% from the company)

4. Project duration: 2 years (starting from August 1, 2018 – July 31, 2020)

5. Stock sale conditions: shares which are more than 1 year old can be sold.

6. Silent Period: 1 year

7. Date of purchase of shares: 1st day of every month

8. Intermediate operator for the project: Phillip Securities (Thailand) Public Company Limited

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 2018, the average hours of training per employee by employee level. Executive level 29.71 hours / person / year. Operational level 37.91 hours / person / year. Average 27.7 hours / person / year. Female 32.63 hours / year. Male 28.32 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, transfer its securities, 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 before sending to the shareholders.

(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 defines date, time, and venue of the meeting of shareholders by considering on convenience of the shareholders therefore the venue will be located in Bangkok, suburban, or Head Office of the company with convenient transportation. Moreover, the company also provides sufficient personnel or technologies to facilitate inspection of documents of each attended shareholder and provide stamp duties to facilitate shareholders who authorized proxies or those who are proxies for attending the meeting as well.

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

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

3. Role of the Stakeholders

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

- | | |
|--------------|---|
| Shareholders | : The Company strives to become good representative of shareholders in operating the business in order to build maximum satisfaction for shareholders by considering the long term growth in value with good and continuous returns of the Company. In addition, the company also discloses information transparently and reliably. Since the company realizes on the risks of business operation, the company always reviews Measures on Risks Prevention and Mitigation. |
| 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. |

The Company has the following customer service principles.

After Sales Service principle:

1. ABANDON per day does not exceed 5% of all incoming calls as to serve all customers. The customer service team must call back all ABANDON call within one day.
2. Guarantee : For general customers, Guarantee Terms will be as indicated on the back of receipt. For TVD Card member ; the terms of product guarantee are as follows:
 - Extended Satisfaction guarantee period from 30 days to 45 days.
 - Extended product guarantee period from 12 months to 18 months.
3. Develop products according to complaints and information received from customers. Organize the meeting “CS LAB” every third Wednesday of the month by CS MM BM and repair department in order to make understanding and mutually solve problems on products usage of customers for developing and improving product quality. Inform complaints on instruction and quality of products to related units to solve problems or give more suggestions for providing further services to customers.
4. Personnel Training and Development
 - Product training by the responsible person or the product owner every 2nd and 4th Friday of the month.
 - New Product training before launching new product at least 7 days.
5. On Site Service, product checking service at the customer’s place by OSS team.
6. Supply and distribution of spare parts. Procurement for service or distribution of spare parts in case that product is out of date and is not in guarantee period such as resistance line etc.
7. Post-Sales Satisfaction Survey
Call out to customer for Satisfaction Survey and bring the information to the “CS Lab”.

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.

The Company has policy and practice in selecting and selecting partners / business partners. To ensure that the Company systematically conducts a fair and transparent selection of business partners / partners and supports ethical business partners / partners. It has a social and environmental responsibility and will not deal with any person or entity that violates laws, being guilty of fraud, dishonesty or fraudulent.

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	<p>: The Company practices under conditions of the contract and financial obligation towards creditors strictly, correctly and fully.</p> <ul style="list-style-type: none"> • Ensure that the Company complies with loan conditions, guarantee terms, capital management and does not conceal the Company's true financial status to creditors. • If there is any suspicion of event that will affect the creditors, such as in case of unstable financial status or default, the Company will speed up the process to solve the problem immediately.
Employee	<p>: 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.</p> <p>The Company's compensation is in line with the short term Company's performance i.e. salary, bonus and provident fund.</p> <p>The Company's compensation which is in line with the long term Company's performance as to create the motivation for employees. The Board of Directors Meeting of TV Direct Public Company Limited No. 2/2017 held on February 23, 2017 approved the Employee Joint Investment Program No. 1 (EJIP No. 1) and the Board of Directors Meeting No. 6/2018 held on August 10, 2018 approved the Employee Joint Investment Program No. 2 (EJIP No. 2) which allow the employee to purchase the Company's shares on monthly basis. This is a form of compensation to employees of the Company and its subsidiaries.</p>
Government Agency	<p>: 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.</p>
Community	<p>: 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".</p>
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>The Company has appointed the Safety, Health and Working Environment Committee in order to promote safety activities in the workplace, the Company attaches importance to the management of safety, health and working environment in accordance with the international standards. The Company also promotes the awareness of security between employers and employees in a systematic manner. It also promotes cooperation with public and private organizations.</p>

The Company is committed to operating the business with environmental responsibility in accordance with the following principles.

- Management is aimed at preventing environmental impacts and is in compliance with legal requirements.
- The company strives to develop operational process to meet with international standards as well as to revise and evaluate performance regularly.
- The company aims to foster and reinforce all employees and related persons to take responsibilities towards environment.
- The company continuously seeks for opportunities to exchange, learn, and share experiences obtained from performing the operations with other organizations for improving the company's operations continuously.

In 2017, the Company received the Excellent Place of Business Award on Labor Relation from the Ministry of Labor because the company has emphasized on management on safety, occupational health, and work environment to meet with international standards. In addition, the company has also promoted to build consciousness on safety between employer and employees systematically as well as promoted cooperation with government agencies and private organizations.

In January 2018, the Company participated in Green Office Project of Department of Environmental Quality Promotion in order to promote behavioral adjustment of employees, reduce office expenses, promote knowledge providing, build realization and consciousness, and promote Green Procurement.

In March 2018, the Company appointed the Committee and the working group to operate Green Office Project because TV Direct Company Group has determination to develop our potential in managing our office environment for using resources and energy worthily and efficiently with good environmental management including waste management, reduction of greenhouse gas emission, prevention on environmental problems, and management of other dimensions to upgrade our office standard to be eco-friendly office. In addition, we also strive to become the Green Office sustainably.

Human Rights Violation: The Company has the policy that will not contravene with human rights violation. The company defines all directors, executives, and employees to respect to the following International Principles of Human Rights:

- The company supports all employees to exercise their legal rights under Thai laws and constitution as Thai citizens.
- The company shall keep personal information of all employees, for example, biology, health record, work profile, etc. Disclosure or transfer of any personal information of any employee shall be approved by such employee. Infringement shall be deemed as disciplinary offence unless such infringement is performed under the company's rules or laws.
- The company shall not support any business violating the International Principles of Human Rights and any business with corruption.
- All employees shall not perform any action violating or threatening other persons orally or physically regarding their races, genders, religions, ages, physical and mental disabilities.

Intellectual Property Infringement: The company has the policy not to infringe any intellectual property of other persons and all employees are defined not to infringe any intellectual property or copyright of other persons by inspecting obtained works or information that are under copyright of outsiders or those that will be used in the company in order to ensure that the company do not infringe any intellectual property of any person.

- All works obtained from performing the operations for the company shall be deemed as the company's intellectual property.
- After discharging, all property intellectuals and all contributions and inventions must be returned to the company whether they are information stored in any format.
- All employees using the company's computers must use software based on the license of the copyright's owner and those allowed by the company only in order to prevent intellectual infringement.

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 Meeting of the Board of Directors No. 2/2558 held on February 26th, 2015 had the resolution to approve the company to declare the policy and intention on prevention against corruption. Development on Anti-Corruption of the company is as follows

In May 2015, the company submitted the declaration on intention to participate in Collective Action Coalition of Thailand's Private Sector Collective Action Against Corruption and Information Form of the Company Intending to Participate in Collective Action Coalition of Thailand's Private Sector Collective Action Against Corruption to Thai Institute of Directors (IOD).

In February 2016, the company appointed the Anti-Corruption Committee of TV Direct Company Group to strengthen and sustain standard system on anti-corruption in the company. The major responsibilities of the Anti-Corruption are establishing policies, objectives, and goals, planning anti-corruption action plan to be consistent with policies and code of conduct of business operation, establishing the guidelines on governing, controlling, and observing corruption, evaluating performance under anti-corruption policy systematically and regularly, providing training to employees on anti-corruption policy and guidelines.

In December 2016, the company prepared data and self-assessment on anti-corruption measures consisted of 71 sections before submitting for certification under Collective Action Coalition of Thailand's Private Sector Collective Action Against Corruption to Thai Institute of Directors (IOD).

In February 2017, the company invited Mr. Thanakrit Permpoonsantisuk, the qualified expert with experience on development of anti-corruption policy to provide knowledge to Top Managers on anti-corruption and bribery for business benefits of the company.



On November 21st, 2017, TV Direct Public Company Limited received the Certificate of Membership of Collective Action Coalition Against Corruption (CAC) from CAC Committee and the company was ranked as the 227th company from 854 companies participated in this project.



On June 27th, 2018, the Company invited Mr. Kulawet Janewattanawit, the Director of IOD to give a special lecture to our executives and employees on Life After CAC Certification.



On December 2nd, 2018, executives and employees of TV Direct Public Company Limited and associated companies participated in GOOD GUY RUN 2018 at Chulalongkorn University Stadium.



On December 20th, 2018, TV Direct Public Company Limited participated in No Gift Policy and showed CAC No Gift Policy symbol on the company's investor relation web page as well as published this declaration via Facebook of Thai CAC.

- Published via the Company's investor relation web page.

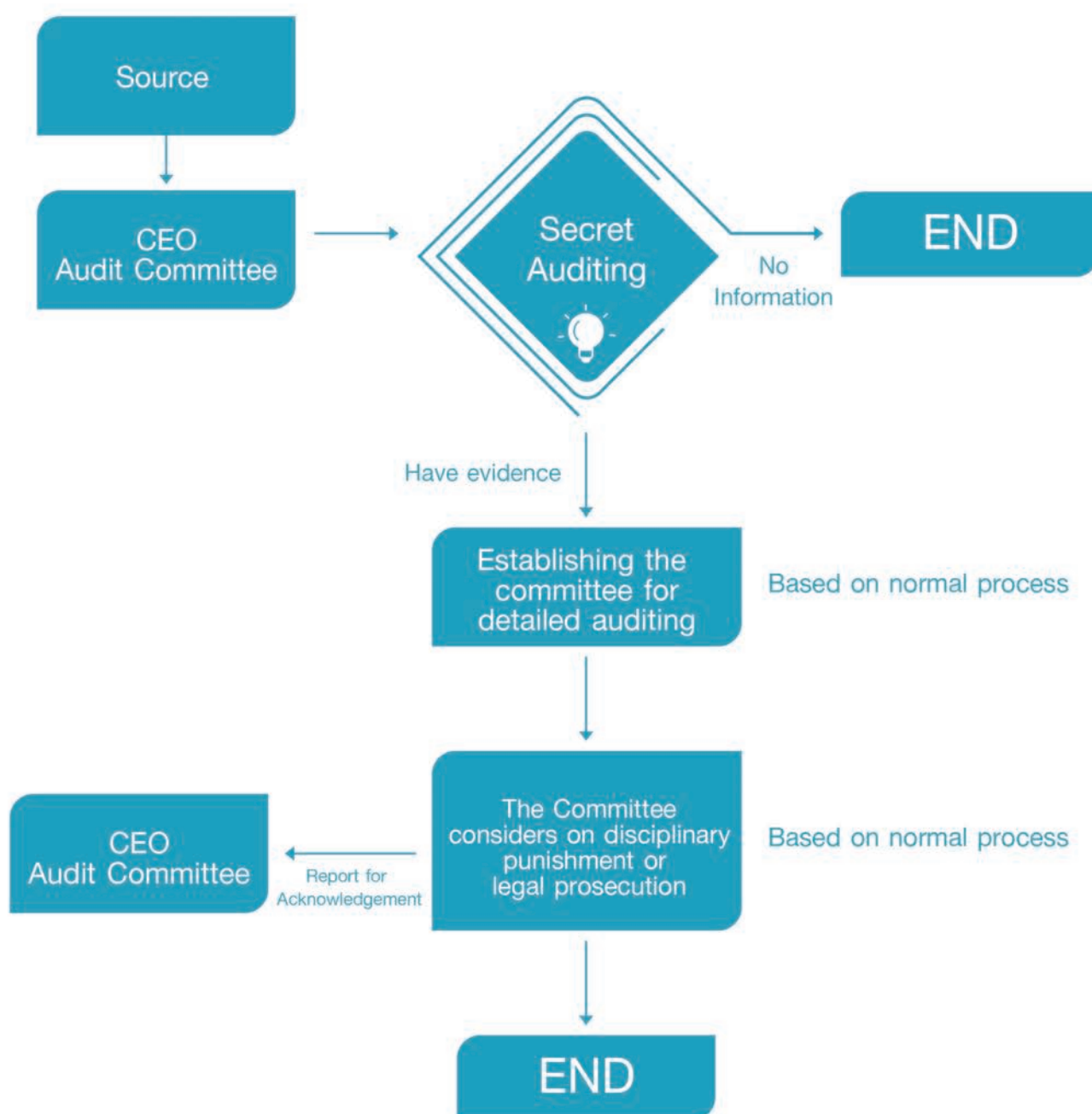


- Published via Facebook of Thai CAC.



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 company will perform further actions with such complaint. The Whistle Blower will be protected and assured that all information and sources will be kept secret. The procedures of Whistle Blowing and Investigation are as follows:

Procedures of Whistle Blowing and Investigation



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 2018, the Company has the policy to participate in Opportunity Day held at the Stock Exchange of Thailand for 4 times and holds Analyst Meeting for 2 times in order to propose the company's quarterly and monthly profits as well as to reply to questions and exchange opinions on those quarterly and monthly profits.

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. The Board of Directors appointed Nomination and Remuneration Committee to establish criteria and methods on nomination of directors for proposing to the Board of Directors as well as to supervise the size and elements of the Board of Directors to suit with the scope of work of the company and adjust them to be consistent with changing environment. The Nomination and Remuneration Committee must be consisted of persons with appropriate knowledge, abilities, and experiences (Diversity).

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. Whereas, the Board of Directors establishes the policy on the number of listed companies that each director shall hold the position in such company as well as the minimum quorum to vote for the resolution of the meeting of the Board of Directors with the following details:

- 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.

In each year, the directors that are not executives will have the meeting in order to discuss problems related to management that are under interest without attendance of Management Department. In 2018, there were 2 meeting of the directors that were not executives.

5.4 Remuneration

The remuneration of the Board of Directors and other sub-committees are determined by the Resolution of the Shareholder Meeting. The Company 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 with review on vision, mission, and strategies of the company every year. In addition, the Board of Directors will observe and supervise compliance and application of those company's strategies.

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 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

Assessment Process of Board of Directors Performance Assessment

The Board of Directors considers and approves the 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 process for Performance Assessment of Board of Directors as a whole group
 1. The Director evaluate the Performance of Board of Directors as a whole group at least once a year.
 2. Secretary of the Board of Directors conclude the result and propose to the Board of Directors.
 3. The Board of Directors consider the assessment result and way to improve the performance of Board of Directors.
- Assessment process for Performance Assessment of Board of Directors as individual (self assessment)
 1. Each Director evaluate himself at least once a year.
 2. Secretary of the Board of Directors conclude the result of each Director and propose to the Board of Directors.
 3. The Board of Directors consider the assessment result and way to improve the performance of each Director.

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 when has to make a decisive vote in the meeting.
- 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 no independence 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 with in 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 discloses as well as prohibited from disclosing such information with subject matter to other persons.

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.

5.16 Nurture Innovation and Responsible Business

- The Board of Directors emphasizes and supports creation of innovations giving business value along with building benefits for customers or related persons as well as be responsible for society and environment.

- The Board of Directors observes and supervises Management Department to operate business with social and environmental responsibilities under Operation Plan to ensure that all departments of the company already

performed their operations to be consistent with major objectives, goals, and strategies of the company's business.

- The Board of Directors supervises Management Department to allocate and manage resources efficiently and effectively by considering on impacts and Value Chain in order to achieve major objectives and goals sustainably.

- The Board of Directors establishes the framework on governance and management of information technology in organizational level to be consistent with demands of the business as well as supervises application of information technology for increasing business opportunities, developing operations, and managing risks enabling the business to achieve major objectives and goals.

Remuneration of Auditor

Remuneration of auditor of 2018 was paid to the auditor of the company, i.e., Dharmniti Auditing Company Limited, as follows:

- Audit Services: 1,380,000 Baht
- Non Audit Services: None

Compliance with Corporate Governance

The board of Directors reviews Corporate Governance Policy every year or at least once a year. In 2018, the Board of Directors reviewed and updated the policy to meet with the ASEAN CG Scorecard and CG Code for Listed Company 2017 as well as business context of the company for complying and applying as proper. In addition, the company also clarified reasons on inability to comply with such code and/or institute measures that were recorded as a part of the resolution of the Board of Directors.

For the remaining compliance, the company will apply as the guidelines for appropriate application in the future including:

Remaining Compliance	Reason
1. The Board of Directors should define the consecutive term of independent director not to be over than 9 years from the date of the first appointment. 2. The Board of Directors should define the longest consecutive term of directs and sub-committee.	The Board of Directors did not define the term of independent director, director, and sub-committee (except for the Audit Committee with the term of 2 years) because the company believed that the Board of Directors had knowledge, abilities, and experiences from holding the position of directors for long period therefore they would be able to make more understanding on the4 company's business operation.

Observation on Compliance with Corporate Governance Policy and Code

Throughout 2018, the directors, executives, and employees of TV Direct Company Group had complied with Corporate Governance Policy and Code without any violation against any provision and laws related to the company's operation and without personal benefits obtained from using any internal information.



13

Internal control and risk Management

The Board of Directors' option 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. 2/2019, on February 26, 2019, with participation from the Audit Committee, the Board of Directors had evaluated the adequacy of internal control system by questioning information from management, and answering on questionnaires on adequacy of the internal control by themselves. It could be summarized that evaluation on 5 parts of internal control system of the Company which were; the Control Environment, Risk Assessment, Control Activities, information and Communication, and Monitoring Activities, the Board of Directors and the Audit Committee commented that the internal control system was adequate enough.

Head of Internal Audit and Head of Compliance Unit

Head of Internal Audit

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

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

Education background :

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

Working Experiences :

2011 - present	Manager - internal control system monitoring 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 for the year ending December 31, 2018. 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.

transactions are in accordance with Fair and at arms' length basis.

Nature of Transaction	Company / Relationship	Total Shareholding Direct / Indirect	Company Financial Statements in 2018 Value (Baht)	Policy on price
a) Revenues from selling of products and services and others for year ending December 31, 2018				
Revenue from sales of products	Subsidiaries		2,518,185	
	TVD Shopping Co., Ltd.	65	2,247,351	Market price
	TVD Broker Co., Ltd.	99.99	270,834	Market price
Revenue from rent	Subsidiaries		1,116,000	
	TVD Broker Co., Ltd.	99.99	1,116,000	Mutually agreed price
Revenue from rent	Subsidiaries		28,777,787	
	TVD Shopping Co., Ltd.	65	7,752,419	Mutually agreed price
	Last Mile Direct Co., Ltd.	99.99	11,302,176	Mutually agreed price
	Magik Pivot Co., Ltd.	60	1,843,519	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	7,879,673	Mutually agreed price
Revenue from dividend	Subsidiaries		22,524,979	
	TVD Shopping Co., Ltd.	65	18,524,981	
	TVD Services Co., Ltd.	99.99	3,999,998	
Revenue from interest received	Subsidiaries		150,000	
	Last Mile Direct Co., Ltd.	99.99	150,000	Contract price
	Associated company		716,986	
	3-RD Co., Ltd.	25	716,986	Contract price

b) Purchasing of products and services and others for the year ending December 31, 2018				
Cost of goods	Subsidiaries		33,257	
	TVD Shopping Co., Ltd.	65	33,257	Market price
Buying media time for TV broadcasting	Subsidiaries		45,019,740	
	TVD Services Co., Ltd.	99.99	45,019,740	Mutually agreed price
Delivery expense	Subsidiaries		219,666,266	
	Last Mile Direct Co., Ltd.	99.99	219,666,266	Mutually agreed price
Rental and warehouse management expense	Subsidiaries		55,934,813	
	Last Mile Direct Co., Ltd.	99.99	55,934,813	Mutually agreed price
Managing expense	Subsidiaries		25,060,114	
	TVD Services Co., Ltd.	99.99	25,060,114	Mutually agreed price
Other expennses	Subsidiaries		14,960,842	
	Magik Pivot Co., Ltd.	60	13,805,921	Mutually agreed price
	Last Mile Direct Co., Ltd.	99.99	200,753	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	300,668	Mutually agreed price
	TVD Services Co., Ltd.	99.99	653,500	Mutually agreed price
Interest paid	Subsidiaries		450,000	
	TVD Services Co., Ltd.	99.99	450,000	Contract price

c) Outstanding balances from purchase / sales of products and services and others as at December 31, 2018				
Account receivables				
	Subsidiaries		5,339,939	
	TVD Shopping Co., Ltd.	65	447,107	Mutually agreed price
	Last Mile Direct Co., Ltd.	99.99	2,176,649	Mutually agreed price
	Magik Pivot Co., Ltd.	60	630,081	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	2,086,103	Mutually agreed price
Other account receivables				
	Subsidiaries		10,000	
	Last Mile Direct Co., Ltd.	99.99	10,000	Mutually agreed price
Accrued income				
	Subsidiaries		762,363	
	TVD Shopping Co., Ltd.	65	112,123	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	650,240	Mutually agreed price
Accrued interest receivables				
	Subsidiaries		18,230	
	Last Mile Direct Co., Ltd.	99.99	18,230	Contract price
	Associated company		174,726	
	3-RD Co., Ltd.	25	174,726	Contract price
Advances				
	Subsidiaries		10,862,757	
	Last Mile Direct Co., Ltd.	99.99	10,862,757	Mutually agreed price
Prepaid expenses				
	Subsidiaries		1,717,260	
	TVD Services Co., Ltd.	99.99	1,339,260	Mutually agreed price
	Magik Pivot Co., Ltd.	60	378,000	Mutually agreed price
Deposit for media time for TV broadcasting				
	Subsidiaries		1,339,260	
	TVD Services Co., Ltd.	99.99	1,339,260	Mutually agreed price
Trade payables				
	Subsidiaries		5,416,245	
	TVD Shopping Co., Ltd.	65	35,585	Mutually agreed price
	Last Mile Direct Co., Ltd.	99.99	2,845,337	Mutually agreed price
	TVD Services Co., Ltd.	99.99	2,535,322	Mutually agreed price

Other account payables	Subsidiaries		2,449,241	
	Last Mile Direct Co., Ltd.	99.99	15,451	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	1,203,482	Mutually agreed price
	Magik Pivot Co., Ltd.	60	1,230,308	Mutually agreed price
Warehouse management and delivery fee payable	Subsidiaries		10,244,083	
	Last Mile Direct Co., Ltd.	99.99	10,244,083	Mutually agreed price
Accrued interest	Subsidiaries		38,219	
	TVD Services Co., Ltd.	99.99	38,219	Contract 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.



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Management Discussion and analysis

Management Discussion and Analysis on Financial Position and Operating Results

Overall Performance

TV Direct Public Company Limited (or “Company”) had been established in April 21, 1999 and in the beginning the Company operated the direct marketing business using media communication for direct presentation of products and services through the Direct Response Television (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 as well as 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 2018, the Company and its subsidiaries had revenue from sales and services at Baht 3,980 Million.

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

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

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

As of May 1, 2017, the Company has additionally invested in T-RDD Company Limited in the proportion of 50% and reduced to 25% in December 2017

On December 15, 2017, Magic Piw Co., Ltd. was established to provide data center services in conjunction with Soft Debut Co., Ltd. in the proportion of 60%.

(a) Revenue

The Company and its subsidiaries had total revenues of Baht 3,329.11 Million in 2017 and Baht 3,993.24 Million in 2018, 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 2017 – 2018, 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	2017			2018		
	M. Baht	%	Growth rate (%)	M. Baht	%	Growth rate (%)
Television Marketing	1,995.21	60.26	12.67	2,536.10	63.71	27.11
Direct Marketing						
- Outbound Call Center	348.09	10.51	(12.10)	387.73	9.74	11.39
- Direct Response Printing	92.12	2.78	(33.38)	70.08	1.76	(23.92)
- Websites	129.98	3.93	10.95	246.58	6.19	89.71
- Service Call Center	53.52	1.62	(10.02)	64.93	1.63	21.32
Total Direct Marketing	623.69	18.84	(12.27)	769.32	19.33	23.35
Conventional Marketing						
- Retailing	248.20	7.50	(38.67)	246.19	6.18	(0.81) 8.31
- Wholesaling	35.07	1.06	(50.53)	37.98	0.95	
Total Conventional Marketing	283.28	8.56	(40.43)	284.18	7.14	0.32
Services *	392.85	11.87	(9.25)	368.12	9.25	(6.30)
Others **	15.74	0.48	22.61	23.01	0.58	46.21
Total revenue from sales and services	3,310.77	100.0	(2.71)	3,980.73	100.00	20.24

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

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

In 2018, the Company and its subsidiaries had revenue from sales and services of Baht 3,980.73 million, an increase from Baht 3,310.77 million in 2017, representing 20.24%, mainly due to the adjustment of advertising plans for new products and increase more digital TV sales channels and the arrangement of satellite TV channels in the sale of new products causing attention and increasing the recognition opportunities from customers. Therefore, there are more orders from customers including increasing sales channels via Digital TV. More TV HOME SHOPPING formats

Other Revenues

In 2018, the Company and its subsidiaries had other revenue of Baht 12.51 Million and interest received of Baht 1.96 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 2017 – 2018, the Company and subsidiaries had total expenses amounted to Baht 3,388.70 Million and Baht 3,907.35 Million respectively with the following details:

Cost of Sales and Services and Gross Margin

During 2017 – 2018, the Company and subsidiaries had cost of sales and services amounted to Baht 1,898.35 Million, and 2,369.38 Baht Million in which ratio of cost of sales and services against revenue from sales and services was at 57.33 % and 59.52 % respectively, or at the gross profit ratio of 42.67 and 40.48 %.

In 2018, the company implement strategies to expand the product category more in order to maintain market share in highly competitive situations by purchasing products in the consignment payment conditions, resulting in higher cost of sales compared to the previous year or in other words, causing the gross margin to decrease by 5.13%. However, the Company and its subsidiaries also have a policy to control the gross margin from sales of products and services not less than 40 percent. The company focuses on the management of cost control of sales and services which the company has implemented various projects as follows.

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

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

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

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

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

Selling and Administrative Expenses

The Company and subsidiaries' selling and administrative expenses amounted to Baht 1,479.02 Million in 2017, and amounted to Baht 1,530.96 Million in 2018 which was at the ratio of total revenue from sales at 44.67% and 38.46 % 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 2018, the Company and subsidiaries' selling and administrative expenses ratio decreased 6.21%, 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 various management expenses

Financial Cost

In 2017- 2018, the Company and subsidiaries had financial cost of Baht 11.33 Million and Baht 6.84 Million respectively. Most of the interest paid of the Company and subsidiaries were from using the financial limit on LC/TR which was the revolving credit facility types for foreign purchasing of finished products, interest expenses on long-term loans for investments on the fixed assets of the building to support increasing sales representative, and increasing advertising media production.

(c) Net Profit and Net Profit Ratio

From the above operations, in 2017 - 2018 the Company and subsidiaries had net profit (loss) amounted to Baht (65.86) Million and Baht 57.57 million respectively. The increased net profit was due to increasing sale volume and efficiently control of expenses.

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

In 2018, the Company had an important accounting transaction and realized as the accounting items in the Company's financial statements which was receiving of dividend from its subsidiaries amounted to Baht 22.52 Million.

Return on Equity

The Company's return on equity was at (10.53)% in 2017, and 9.49% in 2018. In 2017, the Company did not paid dividend to shareholders and in 2018, the Company paid dividend to shareholders which was at the dividend rates (calculated from the Company's financial statement) at 83.72%.

Financial Position

(a) Assets

At the end of 2017 - 2018, the Company and subsidiaries had total assets of amount Baht 1,498.32 Million and Baht 1,453.73 Million respectively, and important assets of the Company and subsidiaries were inventory, land, buildings, and equipment, account receivables and other receivables, cash and cash equivalents. In 2018, ratio of the important assets and total assets was at 21.63%, 27.06%, 12.55% and 15.14% respectively. Then, details of important assets of the Company were as follows:

Account Receivables

The Company and subsidiaries had net other account receivables amounted to Baht 135.20 Million at the end of 2017 and amounted to Baht 182.45 Million at the end of 2018, and as in general majority of the Company's customers would pay in cash immediately after products delivery at 70% of revenues from sales and services.

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

Overdue Period	At Dec 31, 2017		At Dec 31, 2018	
	M. Baht	%	M. Baht	%
Not Overdue	62.50	43.47	79.00	47.85
Overdue:				
1 – 30 days	20.75	14.43	35.69	21.62
31 - 60 days	3.65	2.54	3.77	2.28
61 – 90 days	1.60	1.11	1.63	0.99
91 – 180 days	1.80	1.25	4.08	2.47
181 – 365 days	10.13	7.05	3.61	2.18
More than 365 days	43.34	30.14	37.31	22.60
Account receivables before allowance for doubtful accounts	143.77	100.00	165.08	100.00
Less: Allowance for doubtful accounts	(38.93)		(27.30)	
Less: Allowance for revaluation				
Net Account Receivables	104.84		137.78	

Account receivables in 2018 increased from figure in 2017. 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 2017 – 2018 had the proportional ratio of 43.47 % and 47.85 % against the account receivables respectively.

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

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

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

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

At the end of 2017 - 2018, the Company had set the allowance for doubtful accounts at Baht 38.93 Million and at Baht 27.30 Million respectively. This could be seen that the Company had set the allowance for doubtful accounts at approximate value to the overdue accounts over 180 days because the Company did not set the allowance for doubtful accounts of some account receivables from wholesale and from some services.

Inventory

At the end of 2017- 2018, the Company and subsidiaries had inventory before allowance for obsolete products and allowance for inventory value amounted to Baht 338.46 Million and Baht 326.36 Million respectively as most of the remaining inventory was finished products and product during transportation which had proportional ratio against the total inventory at 97.90 % and 94.56 % respectively with the following details.

	At December 31, 2017		At December 31, 2018	
	M. Baht	%	M. Baht	%
Finished Products	331.35	97.90	308.60	94.56
Products during Transportation	2.97	0.88	14.86	4.55
Consumable materials	4.14	1.22	2.91	0.89
Total	338.46	100.00	326.36	100.00
Less: Allowance for obsolete and slow moving – finished products	(11.45)		(11.79)	
Less: Allowance products with cost higher than net received – finished products	(0.23)		(0.16)	
Inventory - net	326.78		314.41	

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

At the end of 2017 – 2018, the Company had made allowance for inventory value amounted to Baht 11.45 Million and Baht 11.79 Million, while ratio of the inventory value against total inventory was at 3.50 % and 3.75 % respectively

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

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

(2) In case of the following conditions such as

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

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

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

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

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

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

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

Other Current Assets

At the end of 2017- 2018, the Company and subsidiaries had net other current assets amounted to Baht 17.84 Million and Baht 26.52 Million respectively with the following details:

	At December 31, 2017		At December 31, 2018	
	M. Baht	%	M. Baht	%
Other Receivables	20.52	60.68	16.89	48.33
Prepaid Expenses	7.74	22.89	17.34	49.62
Advances	0.67	1.99	0.55	1.56
Receivables from exchanged of products and services	4.88	14.43	0.17	0.49
Total	33.82	100.00	34.95	100.00
Less: Allowance for doubtful debts	(15.98)		(8.43)	
Other Current Assets - Net	17.84		26.52	

Land, Building and Equipment

The Company and subsidiaries had lands, buildings and equipment at net amount of Baht 415.17 Million and Baht 393.44 Million at the end of 2017 - 2018 respectively which had ratio against total assets at 27.71% and 27.06% respectively.

(b) Liquidity

Cash Flow

In 2017, the Company and subsidiaries had net cash flow for operating activities of Baht 180.62 Million which was mainly due to faster payment of account payables in order to increase bargaining power and reserve for refund of insurance from insurance broker business.

In 2018, the Company and subsidiaries had net cash flow for operating activities of Baht 173.43 Million from increasing payment collection and product purchase with longer credit term.

Liquidity Ratio

At the end of 2017 - 2018, the Company and subsidiaries had liquidity ratio of 1.14 times and 1.23 times respectively, and quick liquidity ratio was equal to 0.71 times and 0.76 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 payment.

Consideration on the cash cycle showed decreasing trend, as the Company and subsidiaries had cash cycle at 27 days in 2017, and 7 days in 2018. Decreasing duration of cash cycle was from the following:

- (1) The average debt collection equalled to 15 days in 2017 and equalled to 14 days in 2018.
- (2) The average sale duration of the Company and subsidiaries in 2017 was 49 days, and equalled to 49 days in 2018.

	2017	2018
Liquidity ratio (time)	1.14	1.23
Quick Liquidity Ratio (time)	0.71	0.76
Average Collection Period (day)	15.15	14.16
Product Sale Duration (day)	75.32	49.29
Debt Payment Period (day)	62.80	56.05
Cash Cycle (day)	27.68	7.40

(C) Sources of Funds

Liabilities

At the end of 2017 - 2018, the Company and subsidiaries total liabilities amounted to Baht 773.35 Million and Baht 702.76 Million respectively. Consideration on the liabilities structure of the Company and subsidiaries showed that most liabilities were the current liabilities for normal business operations of the Company and subsidiaries. Important current liabilities consisted of short term loans from financial institutions at 33.52% of total liabilities at the end of 2017, and at 23.5% of total liabilities at the end of 2018 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 54.77% of total liabilities at the end of 2017, and at 65.71% of total liabilities at the end of 2018.

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, 2017, and at December 31, 2018, the Company had DSCR ratio and debt to equity ratio as follows:

	DSCR*		Debt to Equity Ratio **	
	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018
Financial Statement of the Company	0.58 times	7.00 times	0.74 times	0.65 times
Consolidated Financial Statement	0.66 times	3.84 times	1.36 times	1.13 times
Term of Loan	Not less than 1.5 times	Not less than 1.5 times	Not less than 2 times	Not less than 2 times

Remark:

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

Shareholders' Equity

At the end of 2018, the Company and subsidiaries showed the shareholders' equity at Baht 619.52 Million, an increased amount of Baht 25.73 Million from 2017.

Adequacy of the Capital structure

As at the end of 2017 and 2018, the Company and subsidiaries had debt to equity ratio at 1.36 times and 1.13 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 and software fulloop had been implemented to manage and measure customer satisfaction to its 98% service capability for the phone-in customer and was able to return all call within the same day



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Bord 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 2018 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 Charukitpsisarn
Chairman of the Board



Mr. Songpol Shanmatkit
Chief Executive Officer



Audit Committee Report

Dear Shareholders
TV Direct Public Company Limited

For the fiscal year 2018, 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 2018 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 2019.

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 2019 which will be submitted for resolution in the next shareholders meeting.

In 2018, the Audit Committee had 9 meetings with details of attendance on members of the Audit Committee are as follows:

Name	Number of Meeting / Total Meeting
	2018
1. Mr. Tada Charukitpaisarn	9/9
2. Asst. Prof. Anucha Chintakanond	8/9
3. Mr. Suthep Suebsantiwongse	8/9

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.



A handwritten signature in black ink, consisting of a stylized 'J' followed by a dot.

Mr. Tada Charukitpsisarn
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, 2018, 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, 2018, 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, 2018, 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, 2018, 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.

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 14 (Investments in subsidiaries)

Investments in 2 subsidiaries in the separate financial statements, Last Mile Direct Co., Ltd. and TVD Broker Co., Ltd., which still had accumulated loss as at December 31, 2018, the management considered 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., since 2017, this subsidiary has adjusted its business plan in providing driving growth and rendering more effective delivery service for products and parcels. Management provided a business plan with an estimate of cash flows received of the year 2019 and expects that the Company will have profits from the operation.

For TVD Broker Co., Ltd., this subsidiary is currently in the initial start-up of business. However, the management provided business plan and operating cash flows for year 2019 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 to the assessment for allowance for impairment in investment in subsidiaries in the separate financial statements.

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 26, 2019

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		ASSETS			
		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
Current assets					
Cash and cash equivalents	7	220,164,485	213,945,569	142,281,144	117,251,813
Available-for-sale investments	8	101,613,187	140,502,525	-	-
Trade and other accounts receivable	9	182,454,336	135,197,288	141,133,694	107,635,326
Short-term loan to a subsidiary	37 d)	-	-	5,800,000	4,800,000
Short-term loan to associate	37 e)	4,750,000	14,500,000	4,750,000	14,500,000
Inventories	10	314,405,018	326,779,364	280,683,947	322,278,484
Deposits for goods purchases		1,735,933	3,407,751	1,735,933	3,407,751
Other current assets		407,469	91,069	397,539	91,069
Total current assets		825,530,428	834,423,566	576,782,257	569,964,443
Non-current assets					
Restricted deposits at financial institutions	12	44,230,000	44,080,000	40,530,000	40,530,000
Income tax refundable		40,040,416	33,806,555	6,375,152	5,028,891
Investment in associate	13	9,828,269	10,000,000	10,000,000	10,000,000
Investments in subsidiaries	14	-	-	361,978,778	361,978,778
Investment properties	15	-	-	3,222,086	5,142,285
Property, plant and equipment	16	393,444,254	415,176,636	224,643,134	236,409,770
Intangible assets	17	65,942,548	62,178,080	42,304,234	35,216,268
Deferred tax assets	18	39,273,633	58,357,175	14,445,970	30,879,719
Other non-current assets	19	35,443,288	40,295,102	31,650,060	34,287,685
Total non-current assets		628,202,408	663,893,548	735,149,414	759,473,396
Total assets		1,453,732,836	1,498,317,114	1,311,931,671	1,329,437,839

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, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Current liabilities					
Bank overdrafts and short-term loan from					
financial institutions	20	165,728,825	259,247,607	155,718,585	259,247,607
Trade and other accounts payable	21	461,824,321	423,570,763	303,713,618	233,496,268
Short-term loan from a subsidiary	37 f)	-	-	15,000,000	15,000,000
Current portions of					
- Long-term loan from financial institutions	22	6,940,906	11,988,287	6,940,906	11,988,287
- Liabilities under financial lease and hire-purchase					
agreement	23	251,149	260,967	-	-
Provision for repayment to insurance companies		14,889,659	15,855,417	-	-
Value added tax	11	10,756,928	11,651,338	5,735,848	5,195,063
Other current liabilities	24	8,160,960	6,034,849	6,082,656	4,003,909
Total current liabilities		668,552,748	728,609,228	493,191,613	528,931,134
Non-current liabilities					
Long-term loan from financial institutions	22	9,096,347	24,335,469	9,096,347	24,335,469
Liabilities under financial lease and hire-purchase agreement	23	-	135,771	-	-
Employee benefit obligations	25	20,504,295	17,095,448	15,003,767	11,178,802
Other non-current liabilities		4,612,943	3,173,524	10,000	10,000
Total non-current liabilities		34,213,585	44,740,212	24,110,114	35,524,271
Total liabilities		702,766,333	773,349,440	517,301,727	564,455,405

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, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Shareholders' Equity					
Share capital	27				
Authorised share capital					
812,866,688 ordinary shares of Baht 0.50 each		406,433,344		406,433,344	
682,500,070 ordinary shares of Baht 0.50 each			341,250,035		341,250,035
Issued and fully paid-up share capital					
650,315,265 ordinary shares of Baht 0.50 each		325,157,633		325,157,633	
650,293,350 ordinary shares of Baht 0.50 each			325,146,675		325,146,675
Share premium account on issue of share	27	393,007,034	422,995,715	393,007,034	422,995,715
Retained earnings (deficits)					
Appropriated - Legal reserve	29	1,896,054	3,802,569	1,896,054	3,802,569
Unappropriated		(149,420,509)	(206,376,601)	27,729,540	(33,802,208)
Other components of equity					
Gain on land revaluation, net		46,839,683	46,839,683	46,839,683	46,839,683
Gain on measurement of available-for-sale investments, net		1,054,216	400,201	-	-
Surplus on change in investment proportion in subsidiaries, net		978,802	978,802	-	-
Total attributable to the parent company's shareholders		619,512,913	593,787,044	794,629,944	764,982,434
Non-controlling interests	30	131,453,590	131,180,630	-	-
Total shareholders' equity		750,966,503	724,967,674	794,629,944	764,982,434
Total liabilities and shareholders' equity		1,453,732,836	1,498,317,114	1,311,931,671	1,329,437,839

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, 2018

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
	Revenues from sales and services	3,980,733,253	3,310,769,495	2,880,887,626	2,153,935,972
	Cost of goods sold and services	(2,369,377,079)	(1,929,786,606)	(1,689,514,891)	(1,217,109,617)
	Gross profit	1,611,356,174	1,380,982,889	1,191,372,735	936,826,355
	Other income	31 12,510,609	16,285,897	59,181,893	76,794,697
	Profit before expenses	1,623,866,783	1,397,268,786	1,250,554,628	1,013,621,052
	Selling expenses	(1,207,385,362)	(1,093,140,700)	(968,853,947)	(842,816,251)
	Administrative expenses	(323,578,667)	(354,442,395)	(198,251,320)	(203,600,352)
	Other expenses	(3,747)	(363,801)	(3,747)	(363,801)
	Profit from losing control in subsidiaries	-	2,059,317	-	-
	Other gain (loss)	2,162,585	(3,871,105)	2,152,159	(3,763,665)
	Finance costs	33 (6,841,515)	(11,330,764)	(7,022,672)	(10,645,614)
	Share of profit (loss) of associate	(171,731)	-	-	-
	Profit (loss) before income tax	88,048,346	(63,820,662)	78,575,101	(47,568,631)
	Income tax income (expense)	34 (20,250,735)	8,241,105	(16,433,749)	12,160,795
	Profit (loss) for the period	67,797,611	(55,579,557)	62,141,352	(35,407,836)
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss				
	- actual gain (loss) on defined employee benefit plans - net of tax	25 -	1,855,161	-	1,568,738
	Items that will be reclassified subsequently to profit or loss				
	- profit (loss) on measurement of available-for-sale investments	837,577	387,323	-	-
	- changes in deferred tax liabilities				
	loss on measurement of available-for-sale investments	(167,515)	(77,465)	-	-
	Total other comprehensive income - net of tax	670,062	2,165,019	-	1,568,738
	Total comprehensive income (loss) for the year	68,467,673	(53,414,538)	62,141,352	(33,839,098)
	Profit (loss) attributable to:				
	Shareholders of the parent company	57,565,696	(65,856,874)	62,141,352	(35,407,836)
	Non-controlling interests	10,231,915	10,277,317	-	-
		67,797,611	(55,579,557)	62,141,352	(35,407,836)
	Total other comprehensive income (loss) attributable to:				
	Shareholders of the parent company	58,219,711	(63,792,678)	62,141,352	(33,839,098)
	Non-controlling interests	10,247,962	10,378,140	-	-
		68,467,673	(53,414,538)	62,141,352	(33,839,098)
	Earnings (loss) per share for profit attributable to the shareholders of the parent company	35			
	Basic earnings (loss) per share (Baht)	0.08852	(0.10127)	0.09556	(0.05445)
	Diluted earnings (loss) per share (Baht)	0.08359	(0.10127)	0.09023	(0.05445)

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

Baht

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, 2018

		Baht				
		Separate financial statements				
	Note	Authorised, issued and fully paid-up share capital	Share premium	Retained earnings (Deficits)		Total
				Appropriated - legal reserve	Unappropriated Surplus from land revaluation (net)	
Beginning balance as at January 1, 2017		325,146,675	422,995,715	3,802,569	36,890	798,821,532
Changes in shareholders' equity for the year 2017						
Actual gain (loss) on defined employee benefit plans	25	-	-	-	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)	764,982,434
Changes in shareholders' equity for the year 2018						
Transfer of share premium and legal reserve to offset the deficits	27	-	(29,999,639)	(3,802,569)	33,802,208	-
Increase share capital	27	10,958	10,958	-	-	21,916
Dividend payment	28	-	-	1,896,054	(34,411,812)	(32,515,758)
Total comprehensive income (loss) for the year		-	-	-	62,141,352	62,141,352
Closing balance as at December 31, 2018		325,157,633	393,007,034	1,896,054	27,729,540	794,629,944

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, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Cash flows from operating activities :</u>				
Profit (loss) before income tax	88,048,346	(63,820,662)	78,575,101	(47,568,631)
Adjustments:				
Depreciation - investment properties	-	-	2,100,436	2,077,664
- property, plant and equipment	62,837,821	69,749,616	33,009,643	43,381,120
Amortisation charge	17,661,712	17,462,060	12,463,476	12,559,822
Loss on impairment of investment (reversal)	-	-	-	(4,620,343)
Write off doubtful debt	29,251,042	4,352,056	29,251,042	4,352,056
Allowance for doubtful accounts (reversal)	(19,181,567)	10,332,925	(24,359,211)	6,415,187
Loss from physical count of inventory	1,325,915	487,235	1,325,915	487,235
Allowance for obsolete and slow moving inventories (reversal)	341,226	(938,964)	341,226	(921,080)
Allowance for inventory cost in excess of net realisable value (reversal)	(66,445)	(59,496)	(66,445)	(59,496)
Provision for goods returned (reversal)	163,695	238,569	121,261	238,569
Gain from disposal of held-to-maturity investments	-	(56,535)	-	-
Gain from disposal of available-for-sale investments	(273,085)	117,372	-	-
Net loss from disposals of property, plant and equipment	188	363,613	188	363,613
Employee benefit obligations	7,030,411	2,812,073	4,318,073	1,172,453
Profit from losing control in subsidiaries	-	2,059,317	-	-
Interest income from - financial institution	(1,243,252)	(937,876)	(1,730,571)	(589,235)
- related parties	(716,986)	-	-	(675,589)
Dividend income	-	-	(22,524,979)	(32,317,464)
(Gain) loss from exchange rate of borrowings from financial institutions				
- realized	(2,152,159)	(3,893,720)	(2,152,159)	(3,893,720)
- unrealized	-	1,392	-	1,392
Finance costs				
- interest from borrowings	6,794,745	15,197,642	7,022,672	14,525,230
- interest from liabilities under financial lease agreements	46,770	25,450	-	12,712
Share of profit (loss) of associate	171,731	-	-	-
Gain (loss) from operating before the change in working capital	190,040,108	53,492,067	117,695,668	(5,058,505)

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, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Changes in working capital				
- trade and other accounts receivable	(57,326,523)	(42,141,563)	(38,390,199)	(22,317,039)
- inventories	10,773,650	154,774,976	39,993,841	142,910,557
- deposits for goods purchases	1,671,818	7,191,378	1,671,818	7,191,378
- value added tax	(894,410)	16,516,458	540,785	10,191,827
- other current assets	(316,400)	30,884	(306,470)	30,884
- other non-current assets	4,851,814	62,909	2,637,625	3,686,974
- trade and other accounts payable	38,253,558	17,878,694	70,217,350	1,117,993
- provision for repayment to insurance companies	(965,758)	6,897,918	-	-
- other current liabilities	1,962,416	(3,234,812)	1,957,486	(1,399,371)
- employee benefit obligations - paid	(3,621,564)	(1,878,103)	(3,139,365)	(1,147,362)
- employee benefit obligations transferred from subsidiaries	-	-	2,646,257	-
- other non-current liabilities	1,439,419	156,788	-	(3,006,736)
Cash receipts (payments) from operating activities				
before interest income received and income tax paid	185,868,128	209,747,594	195,524,796	132,200,600
Interest income received	1,960,238	937,876	1,730,571	1,264,824
Income tax paid	(18,943,721)	(22,902,344)	(1,346,261)	(2,435,416)
Income tax received	11,375,152	8,061,086	-	8,061,086
Net cash receipts (payments) from operating activities	180,259,797	195,844,212	195,909,106	139,091,094
<u>Cash flows from operating activities :</u>				
Held-to-maturity investments - payments	-	(48,995,919)	-	-
- proceeds	-	189,463,453	-	-
Available-for-sale investments - payments	-	(379,803,209)	-	-
- proceeds	40,000,000	307,340,756	-	-
Restricted deposits at financial institution - payments	(150,000)	-	-	-
Loan to a subsidiary - payments	-	-	(1,000,000)	-
Loan to associate - payments	-	(18,500,000)	-	(18,500,000)
- proceeds	9,750,000	4,000,000	9,750,000	4,000,000
Cash received from decrease in share capital - subsidiary	-	-	-	64,999,985
Cash paid for purchase of investments in subsidiary	-	-	-	(38,499,200)
Cash paid for purchase of investment in associate	-	(10,000,000)	-	(10,000,000)
Cash paid for purchase of - investment properties	-	-	(180,237)	-
- property, plant and equipment	(42,020,365)	(54,430,840)	(21,243,195)	(21,609,035)
- intangible assets	(20,511,442)	(10,318,000)	(19,551,442)	(9,494,000)
Cash received from sale-equipment	-	11,958,014	-	7,535,024
Cash received from sale - intangible assets	-	271,085	-	271,085
Cash received from dividend income	-	-	22,524,979	32,317,464
Net cash receipts (payments) from investing activities	(12,931,807)	(9,014,660)	(9,699,895)	11,021,323

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, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Cash flows from financing activities :</u>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(91,366,623)	(121,641,407)	(101,376,863)	(121,641,407)
Short-term loans from related parties - received	-	-	-	15,000,000
Long-term loans from financial institutions - received	-	32,500,000	-	32,500,000
Long-term loans from financial institutions - repayments	(20,286,503)	(25,370,736)	(20,286,503)	(25,370,736)
Finance costs paid - interest expense	(6,794,745)	(15,197,642)	(7,022,672)	(14,525,230)
Cash payments for liabilities under financial lease agreements				
- principal	(145,589)	(3,414,796)	-	(1,338,149)
- interest expense	(46,770)	(25,450)	-	(12,712)
Cash received from paid-up share capital	21,916	-	21,916	-
Cash paid for dividend payment	(32,515,758)	-	(32,515,758)	-
Cash paid for dividend payment to non-controlling interests	(9,975,002)	(13,632,536)	-	-
Cash received from non-controlling interests to set up new subsidiaries	-	9,000,000	-	-
Net cash receipts (payments) from financing activities	(161,109,074)	(137,782,567)	(161,179,880)	(115,388,234)
Net increase (decrease) in cash and cash equivalents	6,218,916	49,046,985	25,029,331	34,724,183
Cash and cash equivalents - beginning balance	213,945,569	164,898,584	117,251,813	82,527,630
Cash and cash equivalents - ending balance	220,164,485	213,945,569	142,281,144	117,251,813
<u>Additional information</u>				
Transfer of employee benefit obligation from related company	-	-	2,646,257	-
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, 2018

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, 2018, the Company has 92 distribution centers (As at December 31, 2017 : 85 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 26, 2019.

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 financial reporting standards 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, 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
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
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
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	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 current year.

2.3 The newly issued and revised financial reporting standards and effective in the future

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 newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates

TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018)
TFRIC 10 (revised 2018)	Financial Reporting in Hyperinflationary Economics
TFRIC 12 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2018)	Service Concession Arrangements
TFRIC 17 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 20 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 21 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Group believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and 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
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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.

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days.

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	Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Fair value of assets as at December 31					
Available-for-sale					
investments (Note 8)	1	101,613,187	140,502,525	-	-
Property, plant					
and equipment (net) (Note 16)	2	151,169,061	147,975,893	112,559,168	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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Sales of goods	3,240,497,500	2,565,383,781	284,176,835	283,276,021	-	-	-	-	23,012,310	15,739,490	3,547,686,645	2,864,399,292		
Cost of goods sold	(1,799,858,771)	(1,330,076,991)	(143,449,779)	(162,106,946)	-	-	-	-	(11,449,226)	(8,522,600)	(1,954,757,776)	(1,500,706,537)		
Gross profit	1,440,638,729	1,235,306,790	140,727,056	121,169,075	-	-	-	-	11,563,084	7,216,890	1,592,928,869	1,363,692,755		
Service income	64,926,325	136,515,367	-	-	368,120,283	309,854,836	-	-	-	-	433,046,608	446,370,203		
Cost of service	(36,356,665)	(90,310,544)	-	-	(378,262,638)	(338,769,525)	-	-	-	-	(414,619,303)	(429,080,069)		
Gross profit	28,569,660	46,204,823	-	-	(10,142,355)	(28,914,689)	-	-	-	-	18,427,305	17,290,134		
Total gross profit	1,469,208,389	1,281,511,613	140,727,056	121,169,075	(10,142,355)	(28,914,689)	11,563,084	7,216,890			1,611,356,174	1,380,982,889		
Other income											12,510,609	16,285,897		
Selling and administrative expenses											(1,530,964,029)	(1,447,583,095)		
Other expenses											(3,747)	(363,801)		
Profit from losing control in subsidiaries											-	2,059,317		
Other gain (loss)											2,162,585	(3,871,105)		
Finance costs											(6,841,515)	(11,330,764)		
Share of profit (loss) of associate											(171,731)	-		
Income tax income (expense)											(20,250,735)	8,241,105		
Profit (loss) for the year											67,797,611	(55,579,557)		

	Direct marketing			General marketing			Services			Others			Total		
	2018		2017	2018		2017	2018		2017	2018		2017	2018		2017
Sales of goods	2,333,630,915		1,640,891,835	284,043,835		281,003,046	-		-	23,012,310		15,739,490	2,640,687,060		1,937,634,371
Cost of goods sold	(1,244,737,066)		(786,179,594)	(141,956,497)		(146,570,819)	-		-	(11,449,226)		(8,522,600)	(1,398,142,789)		(941,273,013)
Gross profit	1,088,893,849		854,712,241	142,087,338		134,432,227	-		-	11,563,084		7,216,890	1,242,544,271		996,361,358
Service income	-		-	-		-	240,200,566		216,301,601	-		-	240,200,566		216,301,601
Cost of service	-		-	-		-	(291,372,102)		(275,836,604)	-		-	(291,372,102)		(275,836,604)
Gross profit	-		-	-		-	(51,171,536)		(59,535,003)	-		-	(51,171,536)		(59,535,003)
Total gross profit	1,088,893,849		854,712,241	142,087,338		134,432,227	(51,171,536)		(59,535,003)	11,563,084		7,216,890	1,191,372,735		936,826,355
Other income													59,181,893		76,794,697
Selling and administrative expenses													(1,167,105,267)		(1,046,416,603)
Other expenses													(3,747)		(363,801)
Other gain (loss)													2,152,159		(3,763,665)
Finance costs													(7,022,672)		(10,645,614)
Income tax income (expense)													(16,433,749)		12,160,795
Profit (loss) for the year													62,141,352		(35,407,836)

7. CASH AND CASH EQUIVALENTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	1,270,746	1,511,459	837,777	1,122,489
Cash at banks - current accounts	19,500,187	12,034,040	11,193,549	5,479,272
- savings accounts	195,828,253	196,725,131	130,249,818	110,650,052
- fixed accounts	3,565,299	3,674,939	-	-
	<u>220,164,485</u>	<u>213,945,569</u>	<u>142,281,144</u>	<u>117,251,813</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, 2018 and 2017 are as follows:

Consolidated financial statements												
Securities name	Investment units held (Units)		Cost per unit (Baht)		Total cost (Baht)		Market price per unit (Baht)		Market value (Baht)		Unrealised profit (loss) (Baht)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
LH Money Market Fund (LHMM)	192,617	192,617	10.30	10.30	1,984,269	1,984,269	11.42	11.29	2,199,210	2,174,170	214,941	189,901
SCB Treasury Money Plus Closed End Fund (SCBTMFPLUS)	8,996,333	12,651,096	10.90	10.90	98,123,980	137,850,895	11.05	10.93	99,413,977	138,328,355	1,289,997	477,460
Total	9,188,950	12,843,713			100,108,249	139,835,164			101,613,187	140,502,525	1,504,938	667,361

The movements of available-for-sale investments for the years ended December 31, 2018 and 2017 are as follows:

	Baht	
	Consolidated financial statements	
	2018	2017
Balance as at January 1,	140,502,525	66,099,223
Additions	-	379,803,209
Disposals	(40,000,000)	(307,340,756)
- cash received from disposals of available-for-sale investments	-	1,553,525
- gain from disposals of available-for-sale investments (Note 31)	273,085	(117,372)
Changes in fair value of available-for-sale investments	837,577	504,696
Balance as at December 31,	101,613,187	140,502,525

As at December 31, 2018 and 2017, the fair value of available-for-sale investments is based on quoted market prices traded in active markets at the statement of financial position date (Level 1 of fair value hierarchy). There is no change in valuation method during the year.

9. TRADE AND OTHER ACCOUNTS RECEIVABLE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable				
- other companies	164,842,629	143,771,375	125,110,685	116,077,673
- related parties (Note 37 c))	238,075	-	5,339,939	6,766,974
	165,080,704	143,771,375	130,450,624	122,844,647
<u>Less</u> Allowance for doubtful accounts - others	(27,301,586)	(38,930,350)	(22,830,540)	(35,008,613)
Trade accounts receivable (net)	137,779,118	104,841,025	107,620,084	87,836,034
Accounts receivable from trade barter				
of goods or service	170,208	4,881,558	170,208	4,881,558
<u>Less</u> Allowance for doubtful accounts	(170,208)	(4,881,558)	(170,208)	(4,881,558)
Accounts receivable from trade barter				
of goods or service (net)	-	-	-	-
Other accounts receivable				
- other companies	16,891,871	20,522,015	11,115,972	19,394,548
- related parties (Note 37 c))	-	-	10,000	80,756
	16,891,871	20,522,015	11,125,972	19,475,304
<u>Less</u> Allowance for doubtful accounts - others	(8,256,312)	(11,097,765)	(3,627,977)	(11,097,765)
Other accounts receivable (net)	8,635,559	9,424,250	7,497,995	8,377,539
Post dated cheques received	6,094,323	924,485	6,094,323	893,076
Accrued income				
- other companies	11,672,217	11,529,662	8,000	11,107
- related parties (Note 37 c))	-	-	762,363	302,000
Interest receivable - related parties (Note 37 c))	385,705	61,575	192,956	73,805
Advance payment				
- other companies	545,905	674,294	311,461	320,281
- related parties (Note 37 c))	-	-	10,862,757	2,949,669
Prepaid expenses				
- other companies	17,341,509	7,741,997	6,066,495	6,871,815
- related parties (Note 37 c))	-	-	1,717,260	-
	36,039,659	20,932,013	26,015,615	11,421,753
	182,454,336	135,197,288	141,133,694	107,635,326

Trade accounts receivable as at December 31, 2018 and 2017 classified by aging are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounts receivable not overdue (7 days - 60 days credit terms)	78,997,813	62,498,108	60,226,925	54,411,150
Overdue				
1 - 30 days	35,690,896	20,745,231	35,053,166	20,745,231
31 - 60 days	3,765,486	3,650,692	3,566,076	3,650,692
61 - 90 days	1,626,551	1,602,686	1,542,619	1,602,686
91 - 180 days	4,082,379	1,801,232	2,925,692	1,801,232
181 - 365 days	3,606,077	10,134,764	2,626,413	3,947,886
Over 365 days	37,311,502	43,338,662	24,509,733	36,685,770
	<u>165,080,704</u>	<u>143,771,375</u>	<u>130,450,624</u>	<u>122,844,647</u>

10. INVENTORIES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Finished goods	308,595,985	331,348,337	274,992,956	327,189,105
<u>Less</u> Allowance for obsolete and slow-moving inventories	(11,794,750)	(11,453,524)	(11,794,750)	(11,453,524)
Allowance for inventory cost in excess of net realisable value	<u>(160,303)</u>	<u>(226,748)</u>	<u>(160,303)</u>	<u>(226,748)</u>
	296,640,932	319,668,065	263,037,903	315,508,833
Packing materials	118,042	341,648	-	-
Supplies	2,790,128	3,799,893	2,790,128	3,799,893
Goods in transit	<u>14,855,916</u>	<u>2,969,758</u>	<u>14,855,916</u>	<u>2,969,758</u>
	<u>314,405,018</u>	<u>326,779,364</u>	<u>280,683,947</u>	<u>322,278,484</u>

As at December 31, 2018, inventory costs in the consolidated and separate financial statements with the value of Baht 394,381 and Baht 394,381 (As at December 31, 2017 : 1,802,568 Baht and 1,802,568 Baht), 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 1,896,325,479 and Baht 1,267,798,690. (2017 : Baht 1,565,630,190 and Baht 920,367,867), respectively.

11. VALUE ADDED TAX

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Undue input tax	14,202,468	6,579,330	9,247,175	5,359,042
Value added tax received in advance	(16,610,363)	(8,578,232)	(8,670,941)	(4,661,937)
Value added tax payable	(8,349,033)	(9,652,436)	(6,312,082)	(5,892,168)
	<u>(10,756,928)</u>	<u>(11,651,338)</u>	<u>(5,735,848)</u>	<u>(5,195,063)</u>

As at December 31, 2018 and 2017, value added tax presented by net taxable units are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Value added tax - assets	-	-	-	-
- liabilities	(10,756,928)	(11,651,338)	(5,735,848)	(5,195,063)
	<u>(10,756,928)</u>	<u>(11,651,338)</u>	<u>(5,735,848)</u>	<u>(5,195,063)</u>

12. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2018 and 2017, 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 20).

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Interest rate (% per annum)	0.65 - 0.90	0.65 - 0.90	0.65 - 0.90	0.65 - 0.90
Used 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
	(Note 20), airtime rental	(Note 20), airtime rental	(Note 20),	(Note 20),
	(Note 39.1) and credit	(Note 39.1) and credit		
	facilities (Note 20).	facilities (Note 20).		

13. INVESTMENT IN ASSOCIATE

Companies name	Baht							
	Paid-up share capital		Percentage of shareholding %		Consolidated financial statement		Separate financial statement	
					Equity method		Cost method	
	2018	2017	2018	2017	2018	2017	2018	2017
3-RD Co., Ltd.	36,000,000	36,000,000	25%	25%	9,828,269	10,000,000	10,000,000	10,000,000

Summarised financial information of associate

	Baht	
	3-RD Co., Ltd.	
	2018	2017
Current assets	31,731,152	41,253,980
Non-current assets	62,450,841	51,725,643
Current liabilities	59,286,999	37,034,340
Non-current liabilities	9,484,922	27,731,667
Revenue	115,021,499	126,512,940
Profit for the year	(686,926)	(3,651,602)
Other comprehensive income	-	-
Total comprehensive income	(686,926)	(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 14).

14. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2018 and 2017 are as follows:

Company name	Nature of business	Incorporated in	Percentage of shareholding		Paid-up share capital	
			2018	2017	2018	2017
			%	%	Baht	Baht
Subsidiaries						
TVD Shopping Co., Ltd.	Sell goods and services through multiple marketing channels	Thailand	65.00	65.00	345,000,000	345,000,000
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	55,000,000
Last Mile Direct Co., Ltd	Delivery services	Thailand	99.99	99.99	40,000,000	40,000,000
Magik Pivot Co., Ltd.	Data center service	Thailand	60.00	60.00	22,499,200	22,499,200

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, 2018 and 2017

	Baht					
	TVD Shopping Co., Ltd.		Magik Pivot Co., Ltd.		Total	
	As at December 31,		As at December 31,		As at December 31,	
	2018	2017	2018	2017	2018	2017
Current						
Assets	196,087,297	202,678,632	5,917,908	12,529,188	202,005,205	215,207,820
Liabilities	(142,592,334)	(177,771,076)	(3,716,714)	(219,348)	(146,309,048)	(177,990,424)
Total net current assets	53,494,963	24,907,556	2,201,194	12,309,840	55,696,157	37,217,396
Non-current						
Assets	195,960,845	224,279,524	22,527,292	10,000,000	218,488,137	234,279,524
Liabilities	(2,214,926)	(1,520,913)	(884,230)	-	(3,099,156)	(1,520,913)
Total net non-current assets	193,745,919	222,758,611	21,643,062	10,000,000	215,388,981	232,758,611
Net assets	<u>247,240,882</u>	<u>247,666,167</u>	<u>23,844,256</u>	<u>22,309,840</u>	<u>271,085,138</u>	<u>269,976,007</u>

Summarised statements of comprehensive income for the years ended December 31, 2018 and 2017

	Baht				
	TVD Shopping Co., Ltd.		Magik Pivot Co., Ltd.		Total
	2018	2017	2018	2017	
Revenue	1,044,218,047	1,059,790,214	18,675,549	-	1,062,893,596
Profit (loss) before income tax	30,151,289	40,265,623	1,920,680	(189,360)	32,071,969
Income tax income (expense)	(2,716,604)	(4,801,685)	(346,264)	-	(3,062,868)
					(4,801,685)
Post-tax profit (loss) from continuing operations	27,434,685	35,463,938	1,574,416	(189,360)	29,009,101
Other comprehensive income	650,030	255,840	-	-	650,030
					255,840
Total comprehensive income	28,084,715	35,719,778	1,574,416	(189,360)	29,659,131
					35,530,418
Total comprehensive income allocated to non-controlling interests	9,618,185	12,412,378	629,766	(75,744)	10,247,951
Dividends paid to non-controlling interests	9,975,000	13,632,536	-	-	9,975,000
					13,632,536

Summarised statements of cash flows for the years ended December 31, 2018 and 2017

	Baht				
	TVD Shopping Co., Ltd.		Magik Pivot Co., Ltd.		Total
	2018	2017	2018	2017	2017
Cash flow from operating activities					
Cash generated from operations	26,230,633	61,353,647	6,323,099	29,988	32,553,732
Interest received	176,280	220,205	-	-	176,280
Interest paid	-	-	-	-	-
Paid to employee benefit	(115,000)	(120,000)	-	-	(115,000)
Income tax paid	(181,241)	(5,915,826)	(346,264)	-	(527,505)
					(5,915,826)
Net cash generated from (used in) operating activities	26,110,672	55,538,026	5,976,835	29,988	32,087,507
					55,568,014
Net cash generated from (used in) investing activities	34,590,491	51,844,984	(15,550,297)	-	19,040,194
					51,844,984
Net cash generated from (used in) financing activities	(63,500,000)	(106,462,394)	-	12,499,200	(93,963,194)
Net (decrease)/increase in cash and cash equivalents	(2,798,837)	920,616	(9,573,462)	12,529,188	(12,372,299)
Cash and cash equivalents at the beginning of the year	34,995,183	34,074,567	12,529,188	-	47,524,371
Cash and cash equivalents at the end of the year	32,196,346	34,995,183	2,955,726	12,529,188	35,152,072
					47,524,371

The net movement of investments in subsidiaries for the years ended December 31, 2018 and 2017 comprises the following:

	Baht	
	Separate financial statements	
	2018	2017
Opening net book value	361,978,778	383,859,220
Cash paid for investment in - Last Mile Direct Co., Ltd.	-	10,000,000
- TVD Broker Co., Ltd.	-	15,000,000
- Magik Pivot Co., Ltd.	-	8,499,200
Asset for investing - Magik Pivot Co., Ltd.	-	5,000,000
Cash received from decrease share capital - TVD Shopping Co., Ltd.	-	(64,999,985)
Reversed the allowance for impairment - TVD Services Co., Ltd.	-	4,620,343
Ending net book value	361,978,778	361,978,778

The movement of shares capital of subsidiaries for the years ended December 31, 2018 and 2017 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 345,000,000. 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. During the year 2018 its had fully paid.

- TVD Broker Co., Ltd.

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.

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.

15. INVESTMENT PROPERTIES

The movements of investment properties for the years ended December 31, 2018 and 2017 comprise the following:

	Baht					
	Consolidated financial statements			Separate financial statements		
	Building			Building		
	Building	improvements	Total	Building	improvements	Total
For the year ended December 31, 2017						
Opening net book value	-	-	-	840	7,219,109	7,219,949
Additions	-	-	-	-	-	-
Depreciation charge (Note 32)	-	-	-	(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
<u>Less</u> Accumulated depreciation	-	-	-	(4,802,851)	(5,213,906)	(10,016,757)
Net book value	-	-	-	38	5,142,247	5,142,285
For the year ended December 31, 2018						
Opening net book value	-	-	-	38	5,142,247	5,142,285
Additions	-	-	-	-	180,237	180,237
Depreciation charge (Note 32)	-	-	-	-	(2,100,436)	(2,100,436)
Closing net book amount	-	-	-	38	3,222,048	3,222,086
As at December 31, 2018						
Cost	-	-	-	4,802,889	10,536,390	15,339,279
<u>Less</u> Accumulated depreciation	-	-	-	(4,802,851)	(7,314,342)	(12,117,193)
Net book value	-	-	-	38	3,222,048	3,222,086

Fair value of investment properties as at December 31, 2018 amount is Baht 4,009,570 (2017 : Baht 6,168,569).

The Group's management has estimated the fair value of investment properties as at December 31, 2018 and 2017 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, 2018, the gross carrying amount of fully depreciated buildings that are still in use as included in the separate financial statements was Baht 4,802,889 (2017 : 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	
	2018	2017	2018	2017
Rental income	-	-	1,116,000	1,437,600
Direct operating expense arising from investment property that generated rental income for the year	-	-	2,100,436	2,077,664

16. PROPERTY, PLANT AND EQUIPMENT

The net movements of property, plant and equipment for the years ended December 31, 2018 and 2017 comprise the following:

	Consolidated financial statements (Baht)							
	Land	Land for lease improvements	Building	Building for lease improvements	Furniture and fixtures and office equipment	Vehicles	Construction in progress	Total
For the year ended December 31, 2017								
Opening net book value	147,975,893	2,218,775	89,436,925	53,302,669	118,722,411	3	31,160,363	442,817,039
- Additions	-	180,000	2,357,977	13,241,521	32,566,170	-	6,085,172	54,430,840
- Transfers in (out)	-	-	16,912,474	10,955,256	8,857,805	-	(36,725,535)	-
Disposal - cost	-	-	-	-	(69,983,253)	-	-	(69,983,253)
- accumulated depreciation	-	-	-	-	57,989,931	-	-	57,989,931
Write off - cost	-	-	-	-	(15,172,480)	-	-	(15,172,480)
- accumulated depreciation	-	-	-	-	14,844,175	-	-	14,844,175
Depreciation charge (Note 32)	-	(1,146,725)	(5,544,501)	(18,890,059)	(44,168,331)	-	-	(69,749,616)
Closing net book value	147,975,893	1,252,050	103,162,875	58,609,387	103,656,428	3	520,000	415,176,636
As at December 31, 2017								
Cost	89,426,289	9,273,002	135,027,402	133,973,896	320,911,491	1,848,381	520,000	690,980,461
Surplus from revaluation	58,549,604	-	-	-	-	-	-	58,549,604
Less Accumulated depreciation	-	(8,020,952)	(31,864,527)	(75,364,509)	(217,255,063)	(1,848,378)	-	(334,353,429)
Allowance for impairment of assets	-	-	-	-	-	-	-	-
Net book value	147,975,893	1,252,050	103,162,875	58,609,387	103,656,428	3	520,000	415,176,636

Consolidated financial statements (Bah)

	Land	Land for lease improvements	Building	Building for lease improvements	Furniture and fixtures and office equipment	Vehicles	Construction in progress	Total
For the year ended December 31, 2018								
Opening net book value	147,975,893	1,252,050	103,162,875	58,609,387	103,656,428	3	520,000	415,176,636
- Additions	3,193,168	643,108	-	12,929,086	20,226,514	-	5,028,489	42,020,365
- Transfers in (out)	-	-	-	100,000	1,037,411	-	(2,052,149)	(914,738)
Write off - cost	-	-	-	-	(1,524,416)	-	-	(1,524,416)
- accumulated depreciation	-	-	-	-	1,524,228	-	-	1,524,228
Depreciation charge (Note 32)	-	(710,478)	(5,881,994)	(18,328,350)	(37,916,999)	-	-	(62,837,821)
Closing net book value	151,169,061	1,184,680	97,280,881	53,310,123	87,003,166	3	3,496,340	393,444,254
As at December 31, 2018								
Cost	92,619,457	9,916,110	135,027,402	147,002,982	340,651,000	1,848,381	3,496,340	730,561,672
Surplus from revaluation	58,549,604	-	-	-	-	-	-	58,549,604
Less Accumulated depreciation	-	(8,731,430)	(37,746,521)	(93,692,859)	(253,647,834)	(1,848,378)	-	(395,667,022)
Allowance for impairment of assets	-	-	-	-	-	-	-	-
Net book value	151,169,061	1,184,680	97,280,881	53,310,123	87,003,166	3	3,496,340	393,444,254

For the year ended December 31, 2017

Separate financial statements (Baht)

	Land	Land for lease improvements	Building	Building for lease improvements	Furniture and fixtures and office equipment	Vehicles	Construction in progress	Total
For the year ended December 31, 2018								
Opening net book value	109,366,000	1,252,050	60,778,926	19,482,346	45,010,445	3	520,000	236,409,770
Additions	3,193,168	643,108	-	3,262,426	9,701,104	-	4,443,389	21,243,195
Transfers in (out)	-	-	-	-	1,952,149	-	(1,952,149)	-
Disposal - cost	-	-	-	-	(1,524,416)	-	-	(1,524,416)
- accumulated depreciation	-	-	-	-	1,524,228	-	-	1,524,228
Depreciation charge (Note 32)	-	(710,478)	(4,327,048)	(8,289,747)	(19,682,370)	-	-	(33,009,643)
Closing net book value	112,559,168	1,184,680	56,451,878	14,455,025	36,981,140	3	3,011,240	224,643,134
As at December 31, 2018								
Cost	54,009,564	9,916,110	81,738,062	85,412,797	242,423,306	1,848,381	3,011,240	478,359,460
Surplus from asset revaluation	58,549,604	-	-	-	-	-	-	58,549,604
Less Accumulated depreciation	-	(8,731,430)	(25,286,184)	(70,957,772)	(205,442,166)	(1,848,378)	-	(312,265,930)
Net book value	112,559,168	1,184,680	56,451,878	14,455,025	36,981,140	3	3,011,240	224,643,134

For the year ended December 31, 2018

Opening net book value

Additions

Transfers in (out)

Disposal - cost

- accumulated depreciation

Depreciation charge (Note 32)

Closing net book value

As at December 31, 2018

Cost

Surplus from asset revaluation

Less Accumulated depreciation

Net book value

As at December 31, 2018, land including construction of the Company with net book value amounting to Baht 153,322,058 (As at December 31, 2017 : Baht 157,069,312) was pledged as guarantee against the loan from the financial institutions (Notes 20 and 22).

As at December 31, 2018, land which is presented in the consolidated and separate financial statements, under the cost method amounted to Baht 92,619,457 and Baht 54,009,564 (As at December 31, 2017 : Baht 89,426,289 and Baht 50,816,396 respectively). The revaluation surplus was Baht 58,549,604 and Baht 58,549,604 (As at December 31, 2017 : Baht 58,549,604 and Baht 58,549,604 respectively).

As at December 31, 2018 and 2017, 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, 2018, 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 214,481,343 and Baht 214,363,136 (As at December 31, 2017 : Baht 175,408,240 and Baht 175,308,724), respectively.

Depreciation for the years ended December 31, 2018 and 2017 comprised the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Selling expenses	20,222,655	23,792,577	19,195,378	23,227,439
Administrative expenses	42,615,166	45,957,039	13,814,265	20,153,681
	62,837,821	69,749,616	33,009,643	43,381,120

As December 31, 2018 and 2017, 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	
	2018	2017	2018	2017
Cost	552,000	552,000	-	-
<u>Less</u> Accumulated depreciation	(165,449)	(55,049)	-	-
Net book value	386,551	496,951	-	-

17. INTANGIBLE ASSETS

Intangible assets represent computer software. The movements of intangible assets for the years ended December 31, 2018 and 2017 comprise the following:

	Baht	
	Consolidated financial statements	Separate financial statements
For the year ended December 31, 2017	69,593,225	38,553,176
Opening net book value		
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	35,216,268
As at December 31, 2017		
Cost	124,748,682	85,778,373
<u>Less</u> Accumulated amortization	(62,570,602)	(50,562,105)
Net book value	62,178,080	35,216,268
For the year ended December 31, 2018		
Opening net book value	62,178,080	35,216,268
Transfer in	914,738	-
Additions	20,511,442	19,551,442
Amortization charge	(17,661,712)	(12,463,476)
Closing net book value	65,942,548	42,304,234
As at December 31, 2018		
Cost	146,174,862	105,329,815
<u>Less</u> Accumulated amortization	(80,232,314)	(63,025,581)
Net book value	65,942,548	42,304,234

Amortisation for the years ended December 31, 2018 and 2017 comprises the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Selling expenses	2,563,694	2,497,336	1,206,031	1,909,203
Administrative expense	15,098,018	14,964,723	11,257,445	10,650,619
	17,661,712	17,462,059	12,463,476	12,559,822

18. DEFERRED INCOME TAXES

Deferred income taxes (net) as at December 31, 2018 and 2017 comprises the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets:				
Deferred tax assets to be recovered				
- within 12 months	2,500,000	2,500,000	-	-
- more than 12 months	49,302,888	69,282,246	26,443,808	43,383,888
Total deferred tax assets	51,802,888	71,782,246	26,443,808	43,383,888
Deferred tax liabilities:				
Deferred tax liabilities to be settled				
- within 12 months	(518,347)	(1,351,248)	(287,917)	(794,248)
- more than 12 months	(12,010,908)	(12,073,823)	(11,709,921)	(11,709,921)
Total deferred tax liabilities	(12,529,255)	(13,425,071)	(11,997,838)	(12,504,169)
Deferred tax assets (net)	39,273,633	58,357,175	14,445,970	30,879,719

The movement of deferred taxes for the years ended December 31, 2018 and 2017 comprises the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Opening balance	58,357,175	47,651,095	30,879,719	19,111,109
Increase/(decrease) to the profit or loss (Note 34)	(18,916,027)	11,233,234	(16,433,749)	12,160,795
Increase/(decrease) to other comprehensive income	(167,515)	(527,154)	-	(392,185)
Closing balance	39,273,633	58,357,175	14,445,970	30,879,719

	Baht		
	Consolidated financial statements		
	Debit (credit) to		As at December 31, 2018
	As at January 1, 2018	Profit or loss comprehensive income	
Deferred tax assets:			
Allowance for doubtful accounts	10,197,587	(4,871,842)	5,325,745
Allowance for doubtful account receivable disposal investments	925,667	-	925,667
Allowance for obsolete and slow-moving inventories	2,290,705	68,245	2,358,950
Allowance for inventory cost in excess of net realisable value	45,350	(13,289)	32,061
Discount from purchase of business under common control recognised as intangible assets for tax purpose	16,205,479	(2,500,000)	13,705,479
Difference between accounting base and tax base from - value of property, plant and equipment	2,975,580	(532,092)	2,443,488
Provision for goods returned	136,162	24,252	160,414
Employee benefit obligations	3,419,893	680,965	4,100,858
Taxable loss carried forward	35,585,823	(12,835,597)	22,750,226
Total deferred tax assets	71,782,246	(19,979,358)	51,802,888
Deferred tax liabilities:			
Surplus from land revaluation	(11,709,921)	-	(11,709,921)
Gain on measurement of available-for-sale investments	(133,472)	-	(300,987)
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(1,581,678)	1,063,331	(518,347)
Total deferred tax liabilities	(13,425,071)	1,063,331	(12,529,255)
Deferred tax assets (net)	58,357,175	(18,916,027)	39,273,633

	Baht			
	Consolidated financial statements			
	Debit (credit) to			
	As at January	Profit or loss	Other	As at December
	1, 2017		comprehensive income	31, 2017
Deferred tax assets:				
Allowance for doubtful accounts	8,914,550	1,283,037	-	10,197,587
Allowance for doubtful account receivable disposal investments	-	925,667	-	925,667
Allowance for obsolete and slow-moving inventories	2,478,499	(187,794)	-	2,290,705
Allowance for inventory cost in excess of net realisable value	57,249	(11,899)	-	45,350
Discount from purchase of business under common control recognised as intangible assets for tax purpose	18,705,479	(2,500,000)	-	16,205,479
Difference between accounting base and tax base from				
- value of property, plant and equipment	3,522,409	(546,829)	-	2,975,580
- 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	-	136,162
Employee benefit obligations	3,693,266	176,317	(449,690)	3,419,893
Taxable loss carried forward	21,634,146	13,951,677	-	35,585,823
Total deferred tax assets	62,634,294	9,597,642	(449,690)	71,782,246
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Gain on measurement of available-for-sale investments	(56,008)	-	(77,464)	(133,472)
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(3,217,270)	1,635,592	-	(1,581,678)
Total deferred tax liabilities	(14,983,199)	1,635,592	(77,464)	(13,425,071)
Deferred tax assets (net)	47,651,095	11,233,234	(527,154)	58,357,175

	Baht			
	Separate financial statements			
	Debit (credit) to			As at December 31, 2018
	As at January 1, 2018	Profit or loss	Other	
			comprehensive income	
Deferred tax assets:				
Allowance for doubtful accounts	10,197,587	(4,871,842)	-	5,325,745
Allowance for obsolete and slow-moving inventories	2,290,705	68,245	-	2,358,950
Allowance for inventory cost in excess of net realisable value	45,350	(13,289)	-	32,061
Provision for goods returned	136,162	24,252	-	160,414
Employee benefit obligations	2,235,760	764,993	-	3,000,753
Taxable loss carried forward	28,478,324	(12,912,439)	-	15,565,885
Total deferred tax assets	43,383,888	(16,940,080)	-	26,443,808
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)	(794,248)	506,331	-	(287,917)
Total deferred tax liabilities	(12,504,169)	506,331	-	(11,997,838)
Deferred tax assets (net)	30,879,719	(16,433,749)	-	14,445,970

Baht

Separate financial statements

Debit (credit) to

Other

	As at January 1, 2017	Profit or loss	comprehensive income	As at December 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

19. OTHER NON-CURRENT ASSETS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deposits guarantee for				
- rental	22,532,486	25,916,572	21,718,554	24,029,382
- airtime rental				
- other companies	12,358,652	10,050,145	6,540,096	9,037,345
- related companies (Note 37 c))	-	-	1,339,260	-
Others	552,150	4,328,385	2,052,150	1,220,958
	<u>35,443,288</u>	<u>40,295,102</u>	<u>31,650,060</u>	<u>34,287,685</u>

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Type of short-term loans</u>				
Bank Overdraft	10,010,240	-	-	-
Promissory notes	-	140,000,000	-	140,000,000
Letter of credit / Trust receipts	155,718,585	119,247,607	155,718,585	119,247,607
	<u>165,728,825</u>	<u>259,247,607</u>	<u>155,718,585</u>	<u>259,247,607</u>

As at December 31, 2018 and 2017, the outstanding bank overdrafts and short-term loans from the financial institutions were as follows:

Consolidated financial statements									
Security name	Amount		Baht or Baht equivalent		Interest rate (% per annum)		Due for payment		Pledged
	2018	2017	2018	2017	2018	2017	2018	2017	
Bank overdrafts	10,010,240	-	10,010,240	-	MOR	-	-	-	↑
Promissory notes									↑
	-	140,000,000	-	140,000,000	-	4.10 - 4.40	-	January 2018 to March 2018	- Fixed deposits (Note 12)
Letter of credit/trust receipts	155,718,585	118,710,800	155,718,585	118,710,800	2.37 - 2.75	2.43 - 4.20	January 2019 to December 2019	January 2018 to May 2018	- Land including construction (Note 16)
	-	16,347	-	536,807	-	2.50	-	April 2018	↓
			165,728,825	259,247,607					↓
Separate financial statements									
Security name	Amount		Baht or Baht equivalent		Interest rate (% per annum)		Due for payment		Pledged
	2018	2017	2018	2017	2018	2017	2018	2017	
Bank overdrafts	-	140,000,000	-	140,000,000	-	4.10 - 4.40	-	January 2018 to March 2018	↑
Promissory notes									↑
	155,718,585	118,710,800	155,718,585	118,710,800	2.37 - 2.75	2.43 - 4.20	January 2019 to December 2019	January 2018 to May 2018	- Fixed deposits (Note 12)
Letter of credit/trust receipts	-	16,347	-	536,807	-	2.50	-	April 2018	- Land including construction (Note 16)
			155,718,585	259,247,607					↓

As at December 31, 2018 and 2017, credit facilities from 5 financial institutions consist of:

Type	Million Baht	
	2018	2017
<u>Company</u>		
Bank overdrafts	50	50
Bank overdrafts (buyer credit)	20	20
Short-term loans - promissory notes	150	110
Letter of credit/trust receipts	450	505
Letter of bank guarantees	115	55
Foreign currencies forward contracts	450	430
Total credit lines	1,235	1,170
<u>Less</u> Used credit lines	(198)	(336)
Total unused credit lines	1,037	834
<u>Subsidiaries</u>		
Bank overdrafts	10	-
Unused credit lines	-	10

21. TRADE AND OTHER ACCOUNTS PAYABLE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts payable - other companies	372,994,296	320,942,759	235,071,724	175,339,145
- related parties				
(Note 37 c))	-	-	5,416,245	5,847,086
Other accounts payable - other companies	29,866,953	11,832,701	17,520,574	13,059,656
- related parties				
(Note 37 c))	502,686	35,000,000	2,941,227	3,911,870
Accounts payable from purchase of				
Accrued expenses				
- Accrued NBTC fee	541,124	777,356	-	-
- Accrued bonus	4,563,968	3,635,344	2,754,337	-
- Dividend payable	7,115,713	235,517	7,115,713	235,517
- Accrued warehouse management & distribution expenses				
- other companies	7,308,203	14,347,375	-	-
- related parties (Note 37 c))	-	-	10,244,083	18,986,814
- Accrued commission expenses	7,399,563	8,059,144	4,370,683	4,343,691
- Other accrued expenses	22,769,002	18,996,360	17,581,550	10,959,657
Accrued interest expense - financial institution	38,640	439,717	38,640	439,717
- related parties (Note 37 c))	-	-	38,219	38,219
Advances received from customers	1,358,115	348,477	620,623	334,896
Revenue received in advance	6,008,400	5,503,723	-	-
Post dated cheques paid	1,357,658	3,452,290	-	-
	<u>461,824,321</u>	<u>423,570,763</u>	<u>303,713,618</u>	<u>233,496,268</u>

22. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

The movement of long-term loans from financial institutions for the years ended December 31, 2018 and 2017 comprises:

	Baht	
	Consolidated/Separate financial statements	
	2018	2017
Balance as at January 1,	36,323,756	29,194,492
Additions	-	32,500,000
Repayment of the loans	(20,286,503)	(25,370,736)
Balance as at December 31,	16,037,253	36,323,756
<u>Less</u> Current portion due within 1 year	(6,940,906)	(11,988,287)
	<u>9,096,347</u>	<u>24,335,469</u>

As at December 31, 2018 and 2017, the Group has long-term loans from 2 local financial institutions in Thai Baht as follows:

- On March 1, 2012, the Group entered into long-term loan facilities agreement with a commercial bank denominated in Thai Baht in the amount of Baht 100 million for purchasing land and buildings for new office. This borrowing bears interest at the rate of MLR - 1.25% and interest is payable on a monthly basis. The principal is repayable in 60 equal - monthly installment of Baht 2,030,000 each, commencing August 2013. The Group has mortgaged its lands (Note 16). There is no restriction related to maintain the financial ratio from a bank. As at December 31, 2018, the borrowing under loan agreement has fully paid. (As at December 31, 2017: Baht 5,750,329).

- 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. There is no restriction related to maintain the financial ratio from a bank. As at December 31, 2018, the borrowing under loan agreement has an outstanding amount of Baht 16,037,253 (As at December 31, 2017 Baht 30,573,427).

During the year 2018, the Company has repaid the long-term loan as it did not invest in the associated company in the amount of Baht 8 million. The total repayment of the long-term loan for year ended December 31, 2018 is Baht 20,286,503.

As at December 31, 2018 and 2017, the fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of MLR per annum (Level 2 of the fair value hierarchy). However, such fair value is close to their carrying amount as the impact of discounting is not significant.

23. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Liabilities under financial lease				
and hire-purchase agreements	258,509	414,000	-	-
<u>Less</u> Future finance charges on financial lease				
and hire-purchase agreements	(7,360)	(17,262)	-	-
	251,149	396,738	-	-
<u>Less</u> Current portions of liabilities under				
financial lease and hire-purchase				
agreements (net)	(251,149)	(260,967)	-	-
	-	135,771	-	-

As at December 31, 2018, 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	
	2018	2017	2018	2017
Due for payment within				
1 year	258,509	276,000	-	-
1 year - 5 years	-	138,000	-	-
	258,509	414,000	-	-

24. OTHER CURRENT LIABILITIES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Withholding tax payable	5,536,528	4,357,390	3,650,262	2,811,255
Social security payable	1,423,539	1,245,985	1,172,892	946,734
Provision for goods returned	844,513	680,808	802,070	680,808
Others	356,380	(249,334)	457,432	(434,888)
	<u>8,160,960</u>	<u>6,034,849</u>	<u>6,082,656</u>	<u>4,003,909</u>

25. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at December 31, 2018 and 2017 comprise the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Post-employment benefits	12,960,675	11,863,154	9,890,905	8,279,575
Other long-term employee benefits	7,543,620	5,232,294	5,112,862	2,899,227
	<u>20,504,295</u>	<u>17,095,448</u>	<u>15,003,767</u>	<u>11,178,802</u>

Employee benefit expenses for the years ended December 31, 2018 and 2017 comprise the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Post - employment benefits				
- current service cost	3,545,681	2,975,703	2,235,447	1,875,115
- interest cost	278,404	224,080	187,923	155,676
	<u>3,824,085</u>	<u>3,199,783</u>	<u>2,423,370</u>	<u>2,030,791</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Other long-term employee benefits				
- current service cost	3,099,649	2,316,324	1,837,918	1,315,777
- interest cost	106,677	81,333	56,785	40,401
Actual gain from the estimate based on actuarial principles	-	(2,785,367)	-	(2,214,516)
	3,206,326	(387,710)	1,894,703	(858,338)
Total employee benefit expenses recognised during the year	7,030,411	2,812,073	4,318,073	1,172,453

The movement of employee benefit obligations for years ended December 31, 2018 and 2017 is as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance as at January 1,	17,095,448	18,466,329	11,178,802	13,114,634
Liabilities from acquiring the subsidiary during the year				
Increase during the year	7,030,411	5,597,439	4,318,073	3,386,969
Payment during the year	(3,621,564)	(1,878,106)	(3,139,365)	(1,147,362)
Transfer of employee benefit obligations to subsidiary company	-	-	2,646,257	-
Actual gain (loss) from the estimate based on actuarial principles				
- In profit or loss	-	(2,785,367)	-	(2,214,516)
- Other comprehensive income	-	(2,304,847)	-	(1,960,923)
Balance as at December 31,	20,504,295	17,095,448	15,003,767	11,178,802

During 2018, 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:

	2018		2017	
	Consolidated financial	Separate financial	Consolidated financial	Separate financial
	statements	statements	statements	statements
Discount rate (%)	2.33% - 3.25%	2.33%	2.33% - 3.25%	2.33%
Future salary increases (%)	5.00%	5.00%	5.00%	5.00%
Turnover rate (%)	0.00% - 67.00%	0.00% - 67.00%	0.00% - 67.00%	0.00% - 67.00%

Sensitivity analysis for each significant assumption is as follows:

		Increase (decrease) to employee benefit obligations			
Change in assumption		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Discount rate	Increase by 1%	(1,173,510)	(929,760)	(886,606)	(566,628)
Discount rate	Decrease by 1%	1,301,718	1,037,171	986,372	632,600
Future salary increases	Increase by 1%	1,367,764	972,515	1,061,889	609,969
Future salary increases	Decrease by 1%	(1,231,007)	(898,920)	(956,663)	(552,006)
Turnover rate	Increase by 1%	(1,375,414)	(1,096,780)	(1,036,707)	(665,104)
Turnover rate	Decrease by 1%	925,404	759,910	608,609	448,537

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.

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Group will recognize the increase in the employee benefits obligations approximately in consolidated and separate financial statements amounting Baht 3.10 million and Baht 2.41 million, respectively, resulting in the decrease in profit approximately Baht 2.48 million. and Baht 1.93 million, respectively.

26. WARRANTS

Warrants to purchase ordinary shares No.2 (TVD-W2)

As at December 31, 2018, the details of warrants to purchase ordinary shares No.2 (TVD-W2) 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	: 162,573,338 units
Exercise ratio	: 1 warrant per 1 ordinary shares (which will be changeable)
Exercise price	: Baht 1 per unit
Trading date	: April 30, 2018
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 June 2018.
The last exercise date	: April 2, 2021

Annual General Meeting of Shareholders held on March 30, 2018 has the resolution 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.

During the year 2018, the warrants holders exercised their warrants following with exercise ratio at 1 warrant per 1 ordinary share and exercise price at Baht 1 per share, totaling 21,915 ordinary shares, totaling paid-up capital of Baht 21,915. The Company registered the increase in paid-up share capital with Ministry of Commerce on July 12, 2018.

As at December 31, 2018, there is outstanding balance of unexercised warrants to purchase ordinary share No. 2 (TVD-W2) is 162,551,423 units.

27. SHARE CAPITAL AND PREMIUM ON SHARE

	Consolidated/Separate financial statements			
	Number of share	Baht		
		Ordinary share	Share premium	Total
Registered share capital				
As at January 1, 2017	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
Increase in registered share capital	(32,206,720)	(16,103,360)	-	(16,103,360)
Increase capital during the year	162,573,338	81,286,669	-	81,286,669
As at December 31, 2018	812,866,688	406,433,344	-	406,433,344
Issued and fully paid-up share capital				
As at January 1, 2017	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
Share premium used to compensate the deficits	-	-	(29,999,639)	(29,999,639)
Warrant exercised (Note 26)				
Increase capital during the year	21,915	10,958	10,958	21,916
As at December 31, 2018	650,315,265	325,157,633	393,007,034	718,164,667

Annual General Meeting of Shareholders held on March 30, 2018 has the resolution as follows :

- 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. The Company has registered the capital decrease on April 10, 2018.

- 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). The Company has registered the capital increase on April 11, 2018.

- To approve to transfer share premium of Baht 29,999,639 and legal reserve Baht 3,802,569 to offset with the Company's deficit. The offset had no effect to the total shareholders's equity.

28. DIVIDEND PAYMENT AND LEGAL RESERVE

Company

2018

At the Board of Directors' meeting of TVD Direct Public Co., Ltd. no. 9/2018 held on November 13, 2018, board of directors approved to pay interim dividend from the operating results for nine-month period ended September 30, 2018 to shareholders at the rate of Baht 0.50 per share totaling Baht 32,515,758 and allocated legal reserve at the rate of 5% from the operating results totaling Baht 1,896,054.00. Dividend was paid to shareholders on December 12, 2018.

Subsidiaries

2018

According to the Board of Directors' meeting of TVD Shopping Co., Ltd. "subsidiary" no. 4/2018 held on November 7, 2018, board of directors approved to pay interim dividend from retained earnings as at September 30, 2018 to shareholders at the rate of Baht 0.41 per share totaling Baht 28,500,000 and allocated legal reserve at the rate of 5% from retained earnings as at September 30, 2018 totaling Baht 1,500,000. Dividend was paid to shareholders on November 30, 2018.

According to the Board of Directors' meeting of TVD Services Co., Ltd. "subsidiary" no. 8/2018 held on August 31, 2018, board of directors approved to pay interim dividend from retained earnings as at June 30, 2018 to shareholders at the rate of Baht 10 per share totaling Baht 4,000,000 and allocated legal reserve at the rate of 5% from retained earnings as at June 30, 2018 totaling Baht 210,600. Dividend was paid to shareholders on September 27, 2018.

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.

29. LEGAL RESERVE

	Baht	
	Consolidated/Separate financial statements	
	2018	2017
Opening balance	3,802,569	3,802,569
Deduction of accumulated loss (Note 27)	(3,802,569)	-
Appropriation during the year	1,896,054	-
Ending balance	1,896,054	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.

30. NON-CONTROLLING INTEREST

	Baht	
	Consolidated/Separate financial statements	
	2018	2017
Opening balance	131,180,630	158,386,989
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	10,247,962	10,366,860
Dividend payment to non-controlling interest	(9,975,002)	(13,632,536)
Disposal of investment in subsidiaries (Note 14)	-	(4,106,808)
Ending balance	131,453,590	131,180,630

31. OTHER INCOME

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Service income from subsidiaries (Note 37a))	-	-	28,777,787	27,944,787
Dividend income (Note 37a))	-	-	22,524,979	32,317,464
Refunded import duty		-		-
Gain from disposals of				
- held-to-maturity investments	-	56,535		-
- available-for-sale investments (Note 8)	273,085	(117,372)		-
Interest income from				
- held-to-maturity investments	-	2,834,263	-	-
- financial institutions	1,243,252	950,628	869,585	589,235
- related companies (Note 37a))	716,986	-	866,986	675,589
Others	10,277,286	12,561,843	6,142,556	15,267,622
	<u>12,510,609</u>	<u>16,285,897</u>	<u>59,181,893</u>	<u>76,794,697</u>

32. EXPENSES BY NATURE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Changes in finished goods and supplies	(23,985,723)	(120,682,692)	(53,205,914)	(109,070,928)
Purchases of finished goods	(1,848,353,133)	(1,444,947,498)	(1,214,592,776)	(811,296,939)
Advertising airtime media rental expense	(614,093,084)	(449,736,710)	(506,372,918)	(350,670,493)
Advertising and printing media				
production expense	(147,722,183)	(154,340,982)	(139,630,383)	(145,871,830)
Staff cost expense	(505,949,258)	(505,348,294)	(301,473,006)	(252,071,181)
Distribution expense	(255,008,327)	(201,775,970)	(220,968,469)	(174,749,447)
Space and warehouse rental expense	(52,428,601)	(65,761,355)	(24,971,105)	(32,755,180)
Public utility expense	(42,475,333)	(54,800,274)	(32,058,919)	(40,440,931)
Depreciation and amortisation				
(Note 15, 16 and 17)	(80,499,533)	(87,211,676)	(47,573,554)	(58,018,606)
Organizing fee expense	(1,843,472)	(1,915,870)	(1,680,672)	(1,743,370)

33. FINANCE COSTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Interest expense from				
- borrowings	(6,794,745)	(15,197,642)	(7,022,672)	(14,525,230)
- liabilities under financial lease agreements	(46,770)	(25,450)	-	(12,712)
Net gain (loss) from exchange rate (Note 20)				
- realized	-	3,893,720	-	3,893,720
- unrealized	-	(1,392)	-	(1,392)
	<u>(6,841,515)</u>	<u>(11,330,764)</u>	<u>(7,022,672)</u>	<u>(10,645,614)</u>

34. INCOME TAX

Reconciliation of income tax expenses for the years ended December 31, 2018 and 2017 comprises:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax :				
Current income tax on taxable				
profit for the period	(1,334,708)	(2,992,129)	-	-
Deferred income tax : (Note 18)				
Origination of temporary differences	(18,916,027)	11,233,234	(16,433,749)	12,160,795
Income tax income (expense)	<u>(20,250,735)</u>	<u>8,241,105</u>	<u>(16,433,749)</u>	<u>12,160,795</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit (loss) before tax accounting base	88,220,077	(63,820,662)	78,575,101	(47,568,631)
Tax calculated at a tax rate of 20%	(17,644,015)	12,764,132	(15,715,020)	9,513,726
Tax effect of:				
Exemption of taxable income	-	1,967,438	4,504,996	6,463,493
(Non-deductible expenses for tax purpose)				
additional deductible expenses for				
tax purpose	3,719,426	(753,559)	(351,883)	(3,816,424)
Tax losses of subsidiaries for which				
no deferred income tax asset was				
recognised	(1,454,304)	(5,736,906)	-	-
Income tax refundable written-off	(4,871,842)	-	(4,871,842)	-
Income tax income (expense)	(20,250,735)	8,241,105	(16,433,749)	12,160,795

35. EARNINGS (LOSS) PER SHARE

35.1 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	
	2018	2017	2018	2017
Profit (loss) attributable to shareholders of the parent company (Baht)	57,565,696	(65,856,874)	62,141,352	(35,407,836)
Weighted average number of ordinary share (Shares)	650,304,518	650,293,350	650,304,518	650,293,350
Number of share under warrant (Shares)	109,555,206	-	109,555,206	-
Number of share that would have been issued at fair value (Shares)	(71,190,174)	-	(71,190,174)	-
Ordinary shares plus effect of assumed conversion (Shares)	688,669,550	650,293,350	688,669,550	650,293,350
Earning (loss) per share				
Basic earnings per share (Baht per share)	0.08852	(0.10127)	0.09556	(0.05445)
Diluted earnings per share (Baht per share)	0.08359	(0.10127)	0.09023	(0.05445)

35.2 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).

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

Consolidated financial statements (BAHT)					
Balance	Cash flows	Non-cash transaction			Balance
as at	Increase	Increase	Acquisition of	Translation	as at
January 1,	(decrease)*		subsidiary	on exchange	December 31,
2018				rate	2018
Bank overdraft and Short-term borrowings from financial institutions	259,247,607	(91,366,623)	-	(2,152,159)	165,728,825
Long-term borrowings from financial institutions	36,323,756	(20,286,503)	-	-	16,037,253
Liabilities under a finance lease agreement	396,738	(145,589)	-	-	251,149
Total	295,968,101	(111,798,715)	-	(2,152,159)	182,017,227

Consolidated financial statements (BAHT)					
Balance	Cash flows	Non-cash transaction			Balance
as at	Increase	Increase	Acquisition of	Translation	as at
January 1,	(decrease)*		subsidiary	on exchange	December 31,
2017				rate	2017
Bank overdraft and Short-term borrowings from financial institutions	384,781,342	(121,641,407)	-	(3,892,328)	259,247,607
Long-term borrowings from financial institutions	29,194,492	7,129,264	-	-	36,323,756
Liabilities under a finance lease agreement	3,811,534	(3,414,796)	-	-	396,738
Total	417,787,368	(117,926,939)	-	(3,892,328)	295,968,101

	Separated financial statements (BAHT)				
	Balance	Cash flows	Non-cash transaction		Balance
	as at	Increase	Increase	Translation	as at
	January 1,	(decrease)*		on exchange	December 31,
	2018			rate	2018
Bank overdraft and Short-term borrowings from financial institutions	259,247,607	(101,376,863)	-	(2,152,159)	155,718,585
Long-term borrowings from financial institutions	36,323,756	(20,286,503)	-	-	16,037,253
Total	295,571,363	(121,663,366)	-	(2,152,159)	171,755,838

	Separated financial statements (BAHT)				
	Balance	Cash flows	Non-cash transaction		Balance
	as at	Increase	Increase	Translation	as at
	January 1,	(decrease)*		on exchange	December 31,
	2017			rate	2017
Bank overdraft and Short-term borrowings from financial institutions	384,781,342	(121,641,407)	-	(3,892,328)	259,247,607
Long-term borrowings from financial institutions	29,194,492	7,129,264	-	-	36,323,756
Total	413,975,834	(114,512,143)	-	(3,892,328)	295,571,363

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

37. RELATED PARTY TRANSACTIONS

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

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

The significant investments in subsidiaries are set out in Note 14.

Relationship between company and related parties:

Related company name	Nationality	Relationship
TVD Shopping Co., Ltd.	Thailand	Subsidiary
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
Soft Dabu Co., Ltd.	Thailand	Shareholder of Magik Pivot Co., Ltd.
momo.com Inc.	Taiwan	Shareholder of TVD Shopping Co., Ltd.

Significant transactions with related person and related companies show in this interim financial statement are applied by normal price of business which are based on general marketing price or inter-company contract price in case of on able to refer to any market price are as follows :

Transaction in statement of comprehensive income	Relationship
Sale	Market price
Interest income	As agreed in the agreement
Other income	Mutual agreed price
Purchase of goods	Market price
Purchase of airtime for television	Mutual agreed price
Rental and service expenses	Mutual agreed price
Management fee	Mutual agreed price
Administration expenses	Mutual agreed price
Interest expense	As agreed in the agreement

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, 2018 and 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Sales of goods				
Subsidiaries	-	-	2,518,185	6,289,745
Rental income				
Subsidiaries	-	-	1,116,000	1,437,600
Service income				
Subsidiaries	-	-	28,777,787	27,944,787
Interest income				
Subsidiaries	-	-	150,000	675,589
Associate	716,986	-	716,986	-
	716,986	-	866,986	675,589
Dividend income				
Subsidiaries	-	-	22,524,979	32,317,464

b) Purchases of goods and services and others for the years ended December 31, 2018 and 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Purchase of goods				
Subsidiaries	-	-	33,257	12,822,361
Purchase of service				
Subsidiaries	-	-	-	1,283,324
Purchase of airtime for television broadcast				
Subsidiaries	-	-	45,019,740	60,266,700
Delivery expense				
Subsidiaries	-	-	219,666,266	116,085,482
Warehouse management & distribution				
Subsidiaries	-	-	55,934,813	26,583,209
Service marketing expense				
Subsidiaries	-	-	-	463,240
Management fee				
Subsidiaries	-	-	25,060,114	51,087,209
Other expenses				
Subsidiaries	-	-	14,960,842	1,608,048
Interest expense				
Subsidiaries	-	-	450,000	155,342

- c) Outstanding balance arising from sales/purchases of goods/services and others as at December 31, 2018 and 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable (Note 9)				
Subsidiaries	-	-	5,339,939	6,766,974
Related companies	238,075	-	-	-
	<u>238,075</u>	<u>-</u>	<u>5,339,939</u>	<u>6,766,974</u>
Other accounts receivable (Note 9)				
Subsidiaries	-	-	10,000	80,756
Accrued income (Note 9)				
Subsidiaries	-	-	762,363	302,000
Interest receivable (Note 9)				
Subsidiaries	-	-	18,230	12,230
Associate	385,705	61,575	174,726	61,575
	<u>385,705</u>	<u>61,575</u>	<u>192,956</u>	<u>73,805</u>
Advance payment (Note 9)				
Subsidiaries	-	-	10,862,757	-
Related companies	-	-	-	2,949,669
	<u>-</u>	<u>-</u>	<u>10,862,757</u>	<u>2,949,669</u>
Prepaid expense (Note 9)				
Subsidiaries	-	-	1,717,260	-
Deposits guaranteed for airtime rental (Note 19)				
Subsidiaries	-	-	1,339,260	-
Trade accounts payable (Note 21)				
Subsidiaries	-	-	(5,416,245)	(5,847,086)
Other accounts payable (Note 21)				
Subsidiaries	-	-	(2,449,241)	(3,911,870)
Related persons	(502,686)	(35,000,000)	(491,986)	-
	<u>(502,686)</u>	<u>(35,000,000)</u>	<u>(2,941,227)</u>	<u>(3,911,870)</u>
Accrued warehouse management and distribution expense (Note 21)				
Subsidiaries	-	-	(10,244,083)	(18,986,814)
Accrued interest expense (Note 21)				
Subsidiaries	-	-	(38,219)	(38,219)

d) Short-term loan to a subsidiary as at December 31, 2018 and 2017 :

		Separate financial statements		
		As at December 31, 2018 (Baht)		
	Interest rate	Short-term	Interest	
Short-term loan to a subsidiary	(% per annum)	loan	receivable	Total
			(Note 9)	
Last Mile Direct Co., Ltd.	3%	5,800,000	18,230	5,818,230

		Separate financial statements		
		As at December 31, 2017 (Baht)		
	Interest rate	Short-term	Interest	
Short-term loan to a subsidiary	(% per annum)	loan	receivable	Total
			(Note 9)	
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, 2018 and 2017:

		Consolidated/Separate financial statements		
		As at December 31, 2018 (Baht)		
	Interest rate	Short-term	Interest	
Short-term loan to associate	(% per annum)	loan	receivable	Total
			(Note 9)	
3-RD Co., Ltd.	5%	4,750,000	174,726	4,924,726

		Consolidated/Separate financial statements		
		As at December 31, 2017 (Baht)		
	Interest rate	Short-term	Interest	
Short-term loan to associate	(% per annum)	loan	receivable	Total
			(Note 9)	
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, 2018 and 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, 2018		
Short-term loan from subsidiary	Interest rate (% per annum)	Short-term loan	Prepaid interest (Note 21)	Total
TVD servicees Co., Ltd.	3%	15,000,000	38,219	15,038,219

		Separate financial statements (Baht)		
		As at December 31, 2017		
Short-term loan from subsidiary	Interest rate (% per annum)	Short-term loan	Prepaid interest (Note 21)	Total
TVD servicees Co., Ltd.	3%	15,000,000	38,219	15,038,219

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

g) Directors and management' remuneration for the years ended December 31, 2018 and 2017

		Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Directors' remuneration		2,958,000	2,543,333	1,860,000	1,590,000
Management' remuneration					
Short-term employee benefits		31,117,599	25,370,600	19,967,783	15,982,054
Post-employment benefits		1,889,226	2,116,124	1,460,120	1,392,155
Other long-term employee benefits		91,983	201,539	60,262	114,439
		36,056,808	30,231,596	23,348,165	19,078,648

38. Financial instruments

a) Foreign currency exchange rate risk

At December 31, 2018 and 2017, 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:

		Consolidated/Separate financial statements					
		Foreign currency contract amount		Contract rate		Baht	
Foreign currency		2018	2017	2018	2017	2018	2017
USD		164,166	230,146	32.73	32.92	5,373,153	7,576,404

Net fair values

The net fair values of the derivative financial instruments as at December 31, 2018 and 2017 were:

	Baht	
	Consolidated/Separate financial statements	
	2018	2017
Favourable (unfavourable) forward foreign currency exchange contracts	72,628	79,024

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, 2018 and 2017.

b) Interest rate risk

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at December 31, 2018 and 2017 are summarised as follows:

	Consolidated financial statements						
	2018						
	Baht						
	Fixed interest rate						
	Remaining period before maturity date						
	Floating Interest Rates	or reprising date		Without interest	Total	Interest rate (% per annum)	
		Less than 1 year	1 - 5 years			Float rate	Fixed rate
Financial assets							
Cash and cash equivalents	-	199,539,782	-	20,774,703	220,314,485	0.125% - 0.75%	-
Available-for-sale investments	-	-	-	101,613,187	101,613,187	-	-
Trade and other accounts receivable (net)	-	-	-	182,454,336	182,454,336	-	-
Short-term loan to associate	-	4,750,000	-	-	4,750,000	-	5.00%
Restricted deposits at financial institutions	-	-	44,080,000	-	44,080,000	0.65% - 0.90%	-
Total financial assets	-	204,289,782	44,080,000	304,842,226	553,212,008		
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	165,728,825	-	-	-	165,728,825	MOR and 2.37% - 4.40%	-
Trade and other accounts payable	-	-	-	461,824,321	461,824,321	-	-
Long-term loans from financial institutions	-	6,940,906	9,096,347	-	16,037,253	MLR - 1.25%	-
Liabilities under finance lease agreements (net)	-	251,149	-	-	251,149	-	5.00%
Total financial liabilities	165,728,825	7,192,055	9,096,347	461,824,321	643,841,548		

Consolidated financial statements							
2017							
Baht							
	Floating Interest	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period				Float rate	Fixed rate
		before maturity date					
		or reprising date					
Rates	Less than 1 year	1 - 5 years					
Financial assets							
Cash and cash equivalents	-	200,400,070	-	13,545,499	213,945,569	0.125% - 0.75%	-
Available-for-sale investments	-	-	-	140,502,525	140,502,525	-	-
Trade and other accounts receivable (net)	-	-	-	150,229,733	150,229,733	-	-
Short-term loan to associate	-	14,500,000	-	-	14,500,000	-	5.00%
Restricted deposits at financial institutions	-	-	44,080,000	-	44,080,000	0.65% - 0.90%	-
Total financial assets	-	214,900,070	44,080,000	304,277,757	563,257,827		
Financial liabilities							
Bank overdrafts and short-term loans						MOR to MOR - 2.00 and	
from financial institutions	259,247,607	-	-	-	259,247,607	MLR - 1.00% to - 2.00%	-
Trade and other accounts payable	-	-	-	438,603,208	438,603,208	-	-
Long-term loans from financial institutions	-	11,988,287	24,335,469	-	36,323,756	MLR - 1.25%	-
Liabilities under finance lease agreements (net)	-	260,967	135,771	-	396,738	-	5.40%
Total financial liabilities	259,247,607	12,249,254	24,471,240	438,603,208	734,571,309		

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, 2018 and 2017, 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	
	2018	2017	2018	2017
Letters of guarantee for				
Goods (Note 19)	174.48	159.73	174.48	159.73
Airtime rental (Note 19)	8.77	10.03	2.55	8.53
Electricity	1.20	1.21	-	1.21
	184.45	170.97	177.03	169.47

39.2 Commitments under the agreements

As at December 31, 2018 and 2017, the Company had commitment in respect of rental and service agreements with the amount of future payment as follows:

	Baht			
	Consolidated financial statements			
	2018		2017	
	Rental agreements	Service agreements	Rental agreements	Service agreements
Due within the years ending				
1 year	19,671,573	184,561,959	29,761,312	52,837,005
1 year - 5 years	14,451,674	5,641,900	18,894,769	12,680,909
	34,123,247	190,203,859	48,656,081	65,517,914

	Baht			
	Separate financial statements			
	2018		2017	
	Rental agreements	Service agreements	Rental agreements	Service agreements
Due within the years ending				
1 year	12,631,781	111,566,209	28,910,520	11,513,940
1 year - 5 years	7,017,501	5,576,900	15,703,657	680,909
	19,649,282	117,143,109	44,614,177	12,194,849

39.3 Capital commitments

As at December 31, 2018 and 2017, the Company had capital commitments relating to property, plant and equipment and computer software as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Property, plant and equipment	14,008,334	310,833	4,425,000	-
Computer software	-	2,241,768	-	2,241,768
	14,008,334	2,552,601	4,425,000	2,241,768

40. EVENTS AFTER THE REPORTING PERIOD

40.1 On January 31, 2019, the Company terminated the business cooperation agreement with Spring News Corporation Company Limited ("SPC") and will negotiate a new agreement. If agreed, a new agreement will be made to be enforced and replaced. If agreement cannot be reached, both agreements will be terminated from August 1, 2019 onwards.

40.2 At the Board of Directors' Meeting No. 2/2019 held on February 26, 2019, it had the resolution to pay the dividends from net profit 12 months ended December 31, 2018 to the shareholders at Baht 0.08 per share, totaling Baht 52,024,125 and allocate the legal reserve at the rate 5 percent from net profit in the amount of Baht 3,107,068. The Company already paid interim dividends at Baht 0.05 for Baht 32,514,667 and set aside legal reserve of Baht 1,896,054 on December 12, 2018. Therefore, the Company will pay additional dividend at Baht 0.03 per share in the amount of Baht 19,509,458 and set aside additional legal reserve for Baht 1,211,014. The dividend will be paid to the shareholders on April 29, 2019.

40.3 At the Board of Directors' Meeting of TVD Shopping Co., Ltd. "the subsidiary" No. 1/2019 held on February 25, 2019, it had the resolution to pay the dividends from retained earnings as at December 31, 2018 to the shareholders at Baht 0.55 per share, totaling Baht 38,000,000 and allocate the legal reserve at the rate 5 percent from net profit in the amount of Baht 2,000,000. The subsidiary already paid interim dividends at Baht 0.41 for Baht 28,500,000 and set aside legal reserve of Baht 1,500,000 on November 30, 2018. Therefore, the subsidiary will pay additional dividend at Baht 0.14 per share in the amount of Baht 9,500,000 and set aside additional legal reserve for Baht 500,000. The dividend will be paid to the shareholders within April 2019.

41. PURCHASE THE SHARES OF SPRINGNEWS TELEVISION CO., LTD. ("SPTV")

The Board of Directors' Meeting No.7/2018, held on September 21, 2018, has resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2018 to consider and approve the Company to purchase the shares of Springnews Television Co., Ltd. ("SPTV") from Springnews Corporation Co., Ltd. ("SPC"), which is a subsidiary company of News Network Corporation Public Company Limited ("NEWS") (NEWS holds shares in SPC in the amount of 99.99 percent), in the proportion of not less than 90.10 percent of total issued shares and fully paid-up of SPTV without any encumbrance and eviction. SPTV is a limited company who carries on the business of television station and all kind of mass media and has been granted the license of permission to use frequencies and operate digital terrestrial television in the category of news and information channel ("TV License") by Springnews Channel 19 under the control of Office of the National Broadcasting and Telecommunications Commission, and approve the Company to engage SPC to produce news and information program throughout the period of the TV License (The license will be expired on April 24, 2029). The Company shall pay considerations to SPC as follows:

1 The purchase price of SPTV's shares amounting to Baht 7,655,000 (Seven Million Six Hundred Fifty-Five Thousand Baht only) per month throughout the period of TV License, totally amounting to Baht 949,220,000 (Nine Hundred Forty-Nine Million Two Hundred Twenty Thousand Baht only); and

2 The service fee for production of news and information program amounting to Baht 1,055,000 (One Million Fifty-Five Thousand Baht only) per month and grant time sharing for sale of advertisement in the proportion of 30 percent of news and information produced by SPC with the value approximately Baht 540,000 (Five Hundred Forty Thousand Baht only) per month, totally Baht 1,595,000 (One Million Five Hundred Ninety-Five Thousand Baht only) per month.

At the Extraordinary Meeting of the Shareholders No. 1/2018 held on November 23, 2018, it had the resolution for the company to purchase the shares of Spring News Television Company Limited ("SPTV") from Spring News Corporation Company Limited ("SPC"), a subsidiary of News Network Corporation (Public) Company Limited ("NEWS") (NEWS held the shares in SPC 99.99 percent) in the proportion not less than 90.10 percent of total ordinary shares issued and paid by SPTV free of obligation and eviction.

Later, at the Board of Directors' Meeting No. 2/2019 held on February 26, 2019, it had the resolution to end the purchase of 90.10 percent of the shares of Spring News Television Company Limited ("SPTV") and recognized related cost involved in the transaction amounted Baht 5.00 million as the expenses in the year 2018 and to propose to the general meeting of the shareholders.

42. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2017 have been reclassified to conform to the current period classification in the financial statements for the year ended December 31, 2018 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, employees, business partners, and customers who always show good support for our company and that makes the company to achieve the determined goal.

The operation in the past 2018 is considered as a difficult year of the company since there is relatively high competitive in home shopping business. However, with kind collaboration of the company’s employee as well as support from our business partners and customers, the company can overcome obstacles and difficulties.

In 2019, the company still have the same policy as the past year’s in terms of selection of product at cost-effective price, undeniable promotion, emphasis on closed cooperation with our partners and add new distribution channels in order to steadily grow together with our partners and customers.

Lastly, the company highly hopes that the company will gain kind support from the board of directors, executives, employees, business partners evermore.

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	: Home Shopping (selling products through the 24 hours television program)
Establishment	: November 26th, 2013
Program Name	: TVD Momo
First Launch	: June 26th, 2014
Office Address	: 1, Soi Watcharaphon 1, Tarang, Bangkhen, Bangkok 10220
Registration Number	: 0105556188407
Major Shareholders	: TV Direct Public Company Limited 65% MOMO.COM Incorporation (Taiwan) 35%.
Managing Director	: Mr. Thanabul Maturanont
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

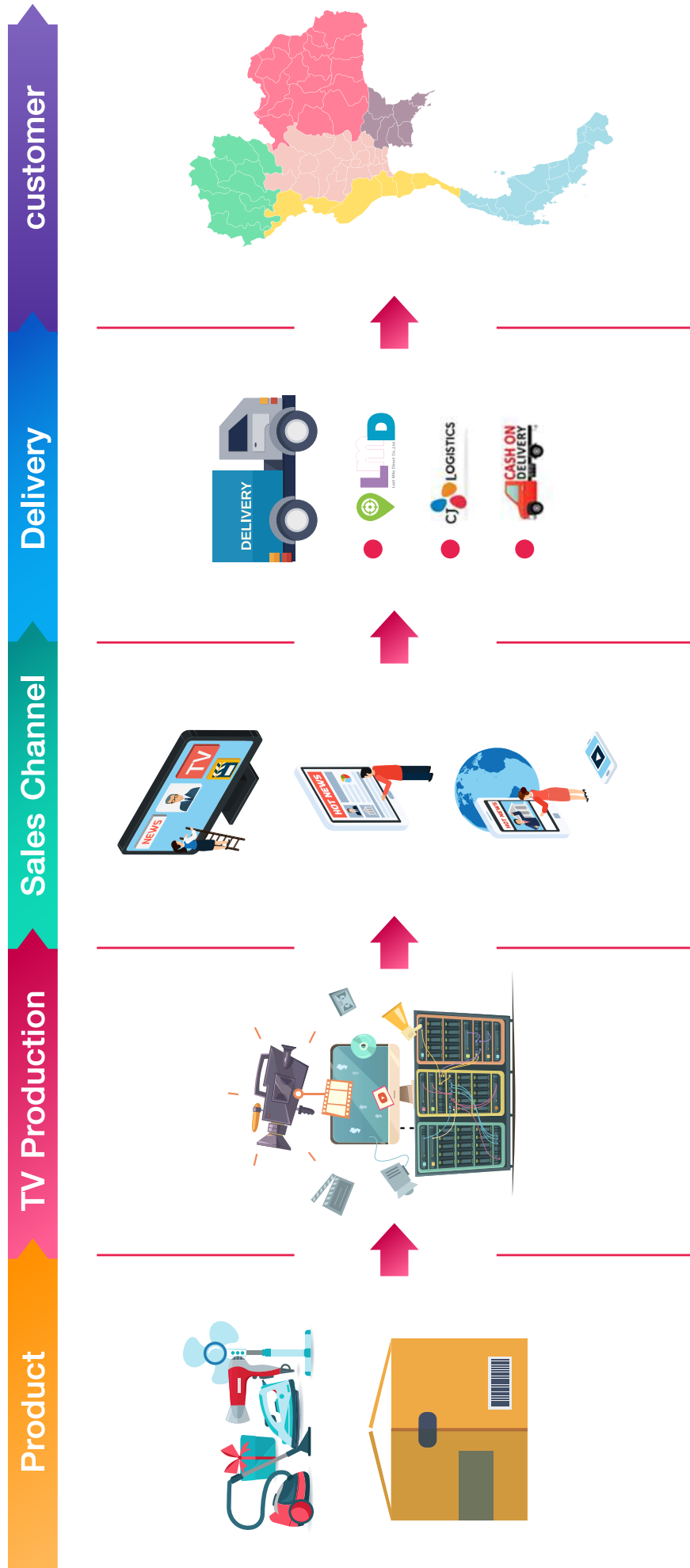
- Home Shopping Program (Live program)
- Home Shopping Channel (On air 24 hours)

Online Shopping

- Business to Customers (B to C)



Business Model





Last Mile Direct Co.,Ltd.

LAST MILE DIRECT COMPANY LIMITED

Message from the Management



Dear Shareholders,

The past 2018 is considered a good year for Las Mile Direct Company Limited. Overall results in the second half of the year can create better results. We have positive results from the development of various processes as planned. We were able to adapt and create better competitiveness. We delivered products faster. We worked more and the product cancellation rate was reduced. We collected more money due to the increasing amount of orders. Every employee is happy as measured from the results of the 2018 engagement assessment, where the employee engagement level of 72.63%

For the year 2019, although we have evolved and improved significantly in the past year we have to admit that the market is changing at a rapid level and there is a noticeable competition in services at a lower price including a variety of companies seeing business opportunities and jumping into the Fulfillment service business more. We, as one of the Logistic & Fulfillment service providers, need to develop a team, working system and performance to be more compact and better. We must deliver as fast as others and in the same price too.

Today, we will see the technology of shipping by robots and drones with various management systems, but we still have to rely on delivery by people for many years. This is the opportunity of the team that still see the future for the change in the competition in the market where the users still have the expectation on the “Fast & Free Delivery” as well as creating a good experience for the customers. In order to create the satisfaction of good service, we must “step through satisfaction to the impression” and it must be a good impression.

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 reducedelivery time and service costs.
- Development of warehouse / distribution center of international standard.



Business Scope

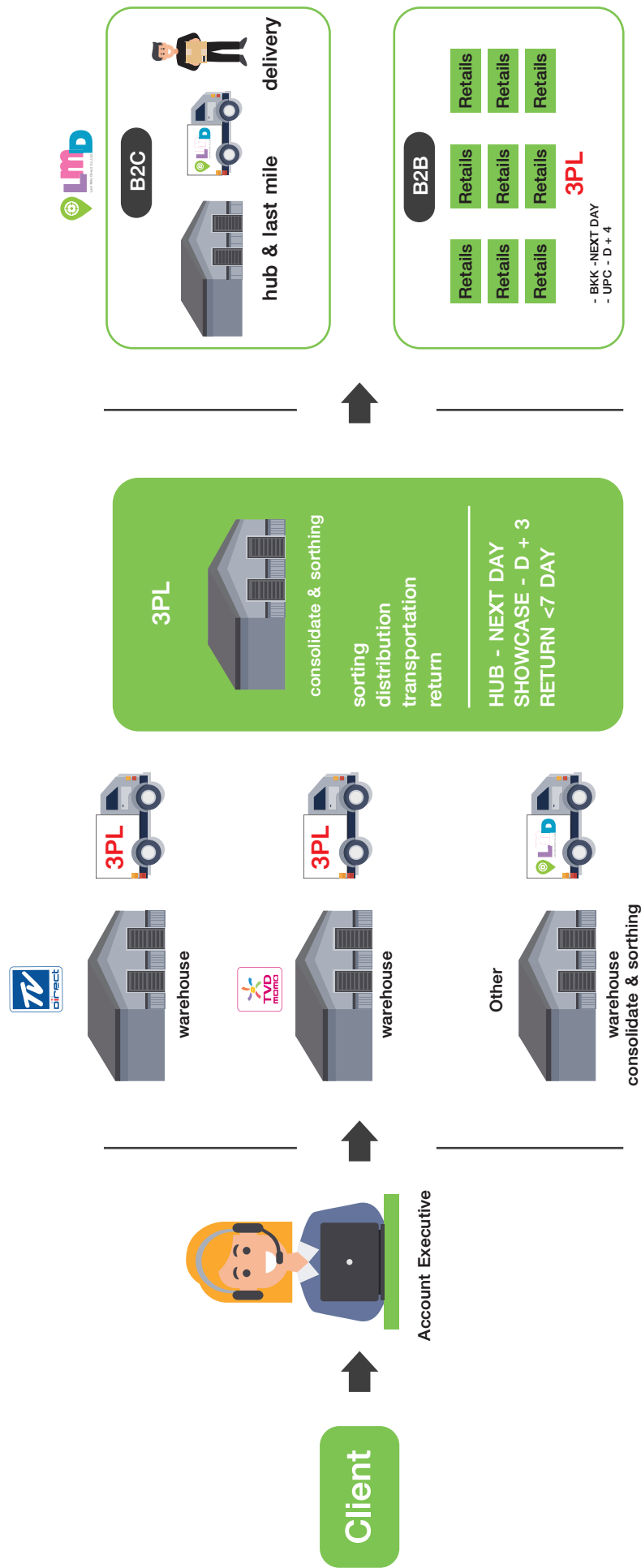
Our Services

- Warehouse Service
- Transportation Service
- Fulfillment Service

LMD BUSINESS FOCUS ON FY2019



Business Model



TVD BROKER

a TV Direct Company

TVD BROKER COMPANY LIMITED

Message from the Management



Dear Shareholders,

Overview of the domestic insurance and life insurance business in 2018, showed that the business has continued to grow from last year due to the economic situation that is basically in term of the investment from the government and the expansion of the private sector which directly affects the growth of the entire insurance industry. At the end of 2018, the total annual income of the entire insurance industry was approximately 862,068 million baht, growing by 5.30 percent from 2017. The income from life insurance and non-life insurance were 632,568 million baht and 229,500 million baht, respectively (data from the Office of Insurance Commission) and it is estimated to grow 4.5 percent in 2019 which shows the opportunity to expand in the insurance broker business of the company, in terms of selling insurance products by telephone and other channels, which will create opportunities for business growth in 2019.

Based on the above mentioned factors in the past year, the company has adjusted the management plan and operational strategy to increase business competitiveness both in the selection of quality insurance products with quality in terms of form, suitable coverage, price and good after-sales service to be provided to customers of the company including selecting trade partners with financial stability, experience and reputation to meet the needs of customers, as well as focusing on maintaining the current customer base along with expanding the new customer base in order to strengthen the income base in the future and expanding the business of providing marketing services to customers, including focusing on potential development both in the organization and the personnel of the organization to create satisfaction for customers who use the services of the company.

In the past 2018, the company created growth in sales and had better performance when compared to 2017 both in terms of income from being an insurance broker and other income from providing services to customers. And operations guidelines in 2019, the company still focuses on expanding insurance broker business along with expanding the revenue of the service business as well as expanding new channels to increase the revenue of the company in order to support sustainable growth and stability.

Lastly, on behalf of the company, I would like to thank all shareholders, customers, business partners and business alliance and all stakeholders for their trust and support throughout the past year and I would like to thank the Board of Directors, the management team and all employees who help each other to work fully as an important backlash that pushes the company forward with better performance. I sincerely hope to receive good support in the following years.

A handwritten signature in black ink, appearing to read 'Dr. Arthit Noicharoen'.

Dr. Arthit Noicharoen
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

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
2. Retirement life insurance
3. Personal accident insurance
4. Serious illness insurance

Etc.

Group protection life insurance

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
2. Personal accident protection for employees
3. Health 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
2. Condominium insurance for room owner
3. Personal accident insurance
4. Domestic and foreign travel accident insurance
5. Individual health insurance
6. Liability insurance for individual or family
7. Motorcar insurance - compulsory type
8. Motor insurance - non - compulsory type

Etc.

Insurance for Business Organization

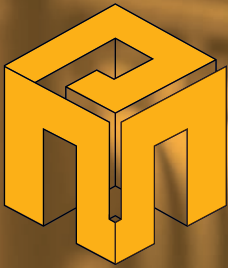
TVD Broker Company Limited offers service in consulting and advising customers in business organization or SME type such as factory, hotel, condominium, hospital, etc., in order to reduce business risks that may come from accidents, and also designing and finding the most beneficial insurance product 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.

The diagram illustrates the TVD Broker's business model. It shows a flow from 'Potential customers' and 'Insurance Products' into the 'TVD BROKER' (a TV Direct Company). The broker provides 'Insurance Advisor Claim & Services' and 'Products selection & Matching'. The broker then interacts with 'Agency', 'Call Center', 'E-commerce', and 'Face to Face' channels to reach 'Customers'.



MAGIK PIVOT

DATA CENTER / ISP / COMMUNICATION

MAGIK PIVOT COMPANY LIMITED

Message

from the Management



Dear Shareholders,

On behalf of Magik Pivot Company Limited (“Company”), I would like to thank all shareholders, Board of Directors, executive committees, employees, business partners, and customers to always support our company properly until we can achieve our goals.

For operations in 2018, although our company has just started operating as a part of TV Direct Group, we are always given love and warmth from our seniors and juniors under the same company group. With this reason, although we have to encounter with economic condition and competitions, unity and efforts of all employees as well as support from trading partners and customers enable us to generate good turnover in the first year of establishment. Consequently, our team is encouraged to create and provide better services to companies under TV Direct Group and external customers to achieve another goal of our company on sustainable growth.

For 2019, besides providing consulting and services on Data Center Services, Internet Service, and Communication Services, we also plan to cooperate with current and new business partners to add new service, i.e., Platform as a Service, and new efficient distribution channels as well as to develop our personnel and technological systems to improve our potential on business operation.

Finally, we highly hope that we will be supported by the Board of Directors, Executive Committees, employees, trading partners, and business partners to be successful as we plan.

Mr. Phiravee Charassirikulchai
Managing Director

Corporate Information

Information

Business Name	: Magik Pivot Company Limited
Company Abbreviation	: MGPV
Business Type	: ISP
Establishment	: December 14th, 2017
Office Address	: 25/2, 4th floor, Watcharapol Road, Tarang Sub-District, Bangkhen District, Bangkok
Registration Number	: 015560209391
Major Shareholders	: TV Direct Public Company Limited 60% Soft 'Debut Company Limited 40%.
Managing Director	: Mr. Phiravee Charassirikulchai
Registered Capital	: 30,000,000.00 baht (thirty million baht only)
Share Amount	: 300,000 share (three hundred thousand shares)
Paid-up Capital	: 12,499,187.90 baht (twelve million, four hundred and ninety-nine thousand, one hundred and eighty-seven baht ninety satang)
Website	: www.magikpivot.com
Telephone	: +66 (0) 2666 0841
Fax	: +66 (0) 2666 0840

Vision

“To become the leader of data center and solution on cloud computing system services.”

Mission

“Be the service provider on data center and solution on cloud computing system.”



Business Scope

Provide consulting and services on

- Data Center Services
- Internet Services
- Communication Services



Business Model



Make it growth and success



3-RD

3-RD COMPANY a CNTT COMPANY

Message from the Management



Dear Shareholders,

According to official co-investment of CNT Tech Co., Ltd., from Korea, the last year was considered as the year of learning and technology transferring between our company and CNT Tech Co., Ltd. According to current situation of business operation that is changing to competition of Contact Center market, our company adjust ourselves to meet with changing technologies and to be competitive in this market as well as to expand Contact Center to other business groups, for example, restaurant business group. Through Food Ordering technology from CNT Tech Company who is skillful and the leader of this field, we are able to provide services to customers who are in restaurant business group that are continuously growing in Thailand. Consequently, these customers will be able to increase their sale volumes via only rapidly as well as able to manage orders among restaurants and customers efficiently.

Moreover, our company also improved and developed our operational systems to efficiently provide services on Call Center Operation to our customers as well as continuously invest in personnel on information technology for developing smart software to manage Contact Center that can connect with Softwaresocial. This technology is integration of mobile system and CRM system within one system enabling our company to improve our potential on business operation and expand our services on Contact Center management to our customers more efficiently with less time consumption and more money saving. Moreover, it also increases business channels to sell and install Software of Contact Center management for utilizing in organizations of customers.

The Board of Directors and all employees realize on opportunities and challenges in operating business in the competitive era and rapid technological changing therefore we have strived to develop ourselves continuously. In addition, we were highly appreciated by support of all customers from companies under the company group and associates of TV Direct Company Limited, business partners, and customers who are always rely on our company. Moreover, we highly hope that our company will become an element to generate profit and reward all shareholders and investors.

Mr. Yuvaboon Khamwangyang
Managing Director

Corporate Information

3-RD Company Limited has operated business on outsource contact center services and providing consulting on direct market integrated with contact center as a one-stop service. The company has operated its business since 2007 with the proportion of shareholders as follows:

GMM Grammy 50% and Suwannahongs 55 Company Limited 50%.

At the mid of 2017, TV Direct Public Company Limited purchased shares from GMM Grammy. At the end of 2017, CNTT Company Limited that was listed in the Stock Exchange of Korea became the major shareholder by adding the capital from 18 million baht to be 36 million baht.

In conclusion, the proportion of current shareholders is CNTT Company Limited 50%, TV Direct Public Company Limited 25%, and Suwannahongs 55 Company Limited 25%.

Currently, the company changes its name to be 3-RD, a CNTT Company (an entrepreneur on outsource contact center services, consulting services on direct market integrated with contact center as a one-stop service, and letting the lease/selling smart software for contact center, CHAT Center via CHAT BOT, Food Order, Food Tech Solution, Delivery Solution, Rider Management Solution, Forecasting), and our sales and services are provided in various formats as follows:

Vision

“We have strived to become the leader in integrating contact center services and creating smart innovations and connection for the ultimate efficiency and effectiveness.”

Mission

To provide services to customers as the international professional on selling and providing services to customers via Contact Center through various formats including Smart Software System in Contact Center and Food Order Technology in order to support customers to operate business more efficiently.

Value

Passion Energetic Mastery

Passion : We love what we do and we are willing to achieve our customers' goals.

Energetic : We are energetic to work in teamwork with proactive format.

Mastery : We are skillful in what we do and we always learn new things to develop ourselves.



Secur

CPU 1 10% CPU 2 2%
RAM Used 22M
Total 40 GB SWAP Used 14 GB



Business Scope

Our services are provided in various forms as follows:

1. Facility Rental or rental services of contact center system(Call, Digital integration) covering from personnel recruitment to personnel training, location scout survey for establishing Contact Center with services on technologies and applications in order to give the ultimate efficiency to customers upon their goals, utilization off smart One App software, Automated Payroll & Commission Calculation integrated with One App for installing at the customers' sites;

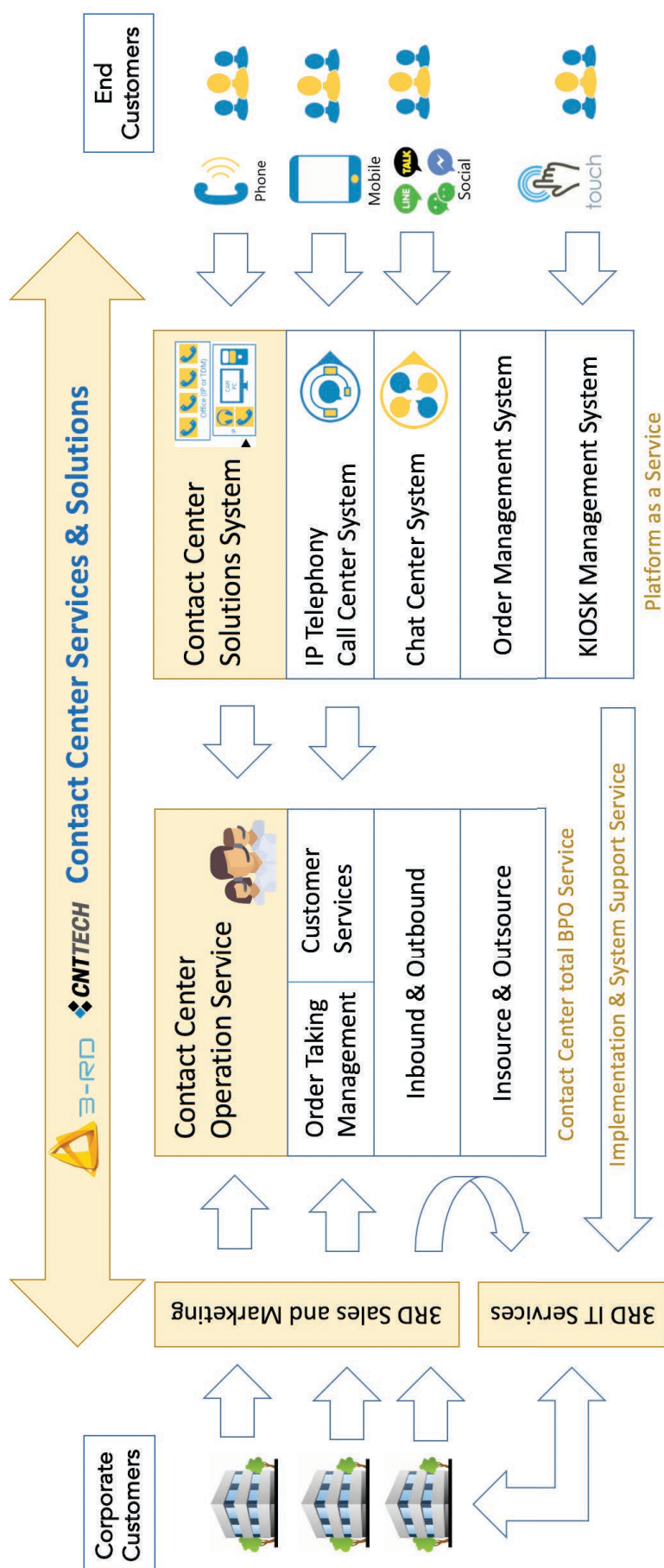
2. Insource or providing services on supplying well-trained personnel to provide contact center services at customers' sites by using software technology and management system of 3-RD (smart One App or existing system of customer), Food Order system, Food Tech Solution, Delivery Solution, Rider Management Solution, and Forecasting;

3. Fully Outsource or providing services based on demands of customers completely including outbound services (e.g., product selling or marketing via telephone system) and inbound services (e.g., asking for customers' information, customers services, and marketing via digital media, Chat Center Service (ICR: Integrated Chat Response)).

Smart One App software system and Automated Payroll & Commission Calculation integrated with One App help to enable 3-RD to be able to provide services in various formats with the ultimate efficiency. We help to improve sale volume of customers and provide professional services making our customers to be more impressed with our services and save more money. These are the pride of our team who develop smart One App software system.



Business Model





TV DIRECT PUBLIC COMPANY LIMITED

25 Watcharaphon Road, Tarang, Bangkhen, Bangkok 10230

Tel : 0-2666-0999 Website : www.tvdirect.co.th