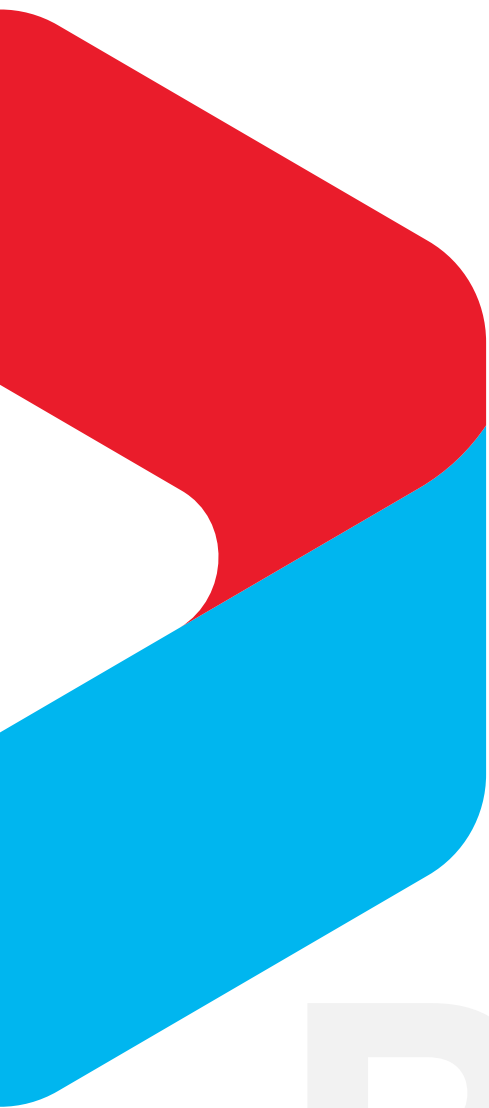




Make
Life
Better

TV **D** ANNUAL
REPORT | 2019

ANNUAL REPORT 2019 TV DIRECT PUBLIC COMPANY LIMITED

Everyday

**Make
Life
Better
Everyday**

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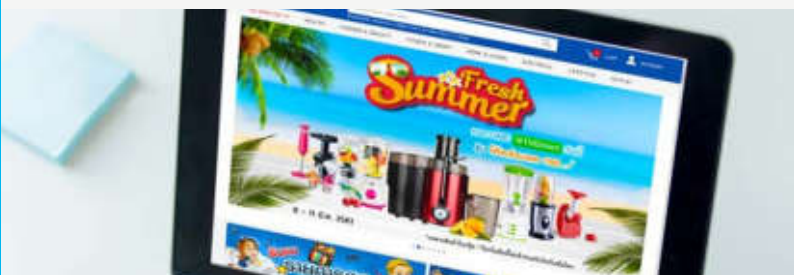
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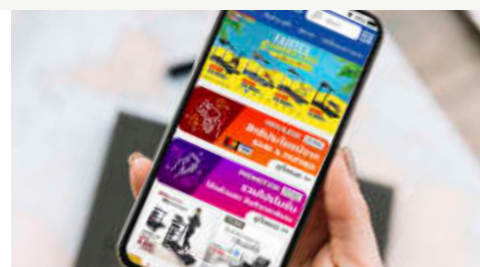
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“Investors can study additional information of the Company in the Annual Information Disclosure (Form 56-1) as published on websites : www.sec.or.th or <http://investor-relation.tvdirect.co.th/en/home>”



01

Message from Chairman

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

Dear Shareholders,

The year 2019 was a year of delights for Thai people throughout the country, thanks to auspicious stories that occurred almost all year round. A historic event was the ascension of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun to the throne, becoming the 10th monarch of the Chakri dynasty completely according to ancient tradition. Moreover, the celebrations of royal coronation ceremony of the year 2019 were considered as once in a lifetime, which were seen by more than 66 Million Thai people. Furthermore, the general election of members of the Thai House of Representatives was held, which has made democracy flourish again after 5 years under the administration of the National Council for Peace and Order.

Despite relatively peaceful events in the country, but the fluctuations of external factors affected the Thai economy such as trade war, unrest in Hong Kong, which is a large financial center in the region. The abovementioned factors negatively affected the Thai economy, including reduced exportation, less number of tourists than expected, Thai Baht appreciation and the declining prices of agricultural crops. Various factors caused the Thai economy in 2019 to grow at around 2.5%, which was the lowest growth in 5 years.

Overall, the market value of TV home shopping business in 2019 was 14,000 Million Baht, an increase of about 7% from the previous year, which was the lowest growth in 5 years according to the Thai economy's growth rate. The factor came from the impact of overall economic slowdown, resulting in the consumers' more cautiousness about spending and choosing to buy goods. The government's attempts to issue various measures for stimulating the economy have still not led to a clear recovery in the purchasing power, including termination of the broadcast and returning the licenses of 7 digital TV channels. Despite an apparently small number, but detailed consideration reveals that digital TV channels of returned licenses had many on-air home shopping programs. While the number of channels decreased, the number of viewers of each channel tended to diminish as well. Another major factor was the entry of more operators into the market, so the existing market share would also decrease accordingly. Such aforementioned factors caused TV Direct Public Co., Ltd. to have higher expenses, product costs, marketing costs and media costs. Although the economy did not grow as predicted, TV Direct Public Co., Ltd. has still been a leader in TV home shopping business throughout the period of 20 years.

In 2019, TV Direct Public Company Limited. decided to rebrand the organization on the occasion of the 20th anniversary, which was considered as a big modification of TV Direct Public Company Limited, starting from rebranding and creating memory under the new slogan, i.e. "Make Life Better Everyday", adjusting the business model and organizational structure, adjusting the strategies to be able to cope with the rapidly changing business trends and consumer behavior in the digital era so as to transform the organization for running business efficiently and growing in the future as targeted. Besides, TV Direct Public Company Limited also celebrated this special occasion by having organized TVD 20th Birthday Festival campaign between 1 May to 20 September 2019, totaling 20 weeks with the prizes worth over 5 Million Baht to thank valued customers for having supported TV Direct Public Company Limited for a long time.

Additionally, in 2019, TV Direct Public Company Limited also terminated the acquisition of shares of Spring News Television Co., Ltd. affiliated company of News Network Corporation Public Company Limited, which operates digital television channel 19 business (Spring News Channel) because after the NBTC issued measures to help digital TV operators, the negotiations under the new conditions were inconclusive. However, TV Direct Public Company Limited still rented time from Channel 19 to produce home shopping programs broadcast on the station under the original contract and the broadcast has been terminated since 15 August 2019 onwards.

About the trend of TV home shopping business in 2020, the overall market is predicted to grow slightly from the previous year due to being still affected by the economic conditions that tend to slow down continuously. It is estimated that the overall TV home shopping business will grow by 2-3% from the previous year. Consequently, in 2020, TV Direct Public Company Limited has performed a business group restructuring to increase the efficiency of business expansion, create good future growth and support business changes in the disruption era.

The new Business Group structure of TVD is divided into 2 main groups:

1. B2C (Business to Consumer) Business emphasizing on direct access to customers to improve products in the line of Bedding, Fitness and Small Appliance to meet the demand of the customers, and strengthen the products at the same time by adding cosmetic and food supplement products that will help increasing the profit as targeted.

The B2C Business group consists of 4 companies in the group: 1. TV Direct Public Company Limited (TV Shopping Business) 2. TVD Shopping Co., Ltd. (Home Shopping Business) 3. Merx 915 Co., Ltd. (Online Business) 4. TVD M Co., Ltd. (Satellite Channel & Platform).

2. B2B (Business to Business) Business is a new business model of the Company supporting the Direct to Customer trend that is becoming popular. Because brand owners have started to realize the importance of end users which the present technology and marketing tools can help eliminating the middle man and the Brand owner can communicate to the customers directly. Therefore, TVD provides the service by giving a menu both the full course section as a hub for all demands and the specific section for more specific choices.

The B2B Business Group consists of 6 companies in the group: 1. TVD Services Co., Ltd. (Call Center and Back End System) 2. TVD Broker Co., Ltd (Insurance Broker Business) 3. Last Mile Direct Co., Ltd. (DC, Warehouse, Cash Payment Delivery, Return Management) 4. Magik Pivot Co., Ltd. (MIS Data, Data Mining, Marketing Automation, Data Center and Cloud Services) 6. 3-RD Co., Ltd. (BPO and Mobile Application).

In 2019, TV Direct Public Company Limited still adhered to and attached importance to all participants as well as stakeholders, including internal participants and stakeholders, namely the employees and executives of TV Direct Public Company Limited or external stakeholders consisted of shareholders, customers, trade partners, competitors, creditors, government agencies, communities and other relevant agencies due to its awareness about the rightful, appropriate treatment of stakeholders, which will make TV Direct Public Company Limited have good operating results, ethics, stability and sustainability. With determination and earnestness to manage the operations transparently with Good Governance according to the principles of Good Corporate Governance, as a result, TV Direct Public Company Limited was evaluated for Corporate Governance of Thai listed company for the year 2019 in Excellent level or CG 5 stars for the 3rd consecutive year (2017-2019) from the Thai Institute of Directors (IOD). Besides, TV Direct Public Company Limited got the highest CG score ranked as TOP Quartile of the group of companies with Market Capitalization of 1,000-2,999 Million Baht for the 5th consecutive year (2015-2019) as well.



Mr. Tada Charukitpaisarn
Chairman of the Board

Mr. Chalermpong Mahavanidvong
Chairman of the Executive Committee

Additionally, TV Direct Public Company Limited was also evaluated for the quality Annual General Meeting of Shareholders with 100 full points for 6 consecutive years (2014-2019) from the Thai Investors Association. As for Corporate Code of Conduct and Governance, TV Direct Public Company Limited was also certified as a member of the Collective Action Coalition Against Corruption (CAC). Moreover, TV Direct Public Company Limited received the award “Outstanding establishment for National Labor Relations and Welfare” and the certificate of honor for 5 consecutive years (2015-2019) from the Ministry of Labor. Furthermore, another pride is that TV Direct Public Company Limited was considered by the Jury of the Outstanding Ethics Award Project, the Thai Chamber of Commerce as a company operating business according to the principles of Good Ethics and received the Thai Chamber of Commerce Business Ethics Standard Test Award 2019 (TCC BEST Award 2019). TV Direct Public Company Limited will strive for the promotion and development of its Good Corporate Governance continuously in the future.

Lastly, on behalf of the board of directors and the executive committee, thanks are hereby expressed to all the shareholders, investors, customers, business partners, private and government agencies as well as sponsors for having well supported the operations of TV Direct Public Company Limited throughout the past period. Especially, thanks are expressed to all the employees of TV Direct Public Company Limited, all departments, all units, all levels, employees from affiliated companies, including hired external employees for helping together in working at full capacity and jointly overcoming various obstacles until leading TV Direct Public Company Limited to this point proudly. TV Direct Public Company Limited sincerely hopes to receive good support from all sectors as before in order to sustain TV Direct Public Company Limited as an organization that continues to work efficiently, fairly, transparently, create returns reasonably, give back to society and sustainably grow according to the economic conditions of Thailand. Thank you once again for all people’s constant goodwill toward TV Direct Public Company Limited.

Message from the Chief Executive Officer

Dear Shareholders,

After 2018, we were able to change the situation of the Company very well and it should lead to good results in 2019. In the first quarter of the year was well enough. Nevertheless, the government policy announcing the return of the TV Station channel and the remedy causes the purchase of Channel 19 to be disrupted, and the channel owner must change the work strategy, resulting in reduced sales of Channel 19 at the end of the first quarter, while the expenses remains the same. The Company tried to negotiate in many issues and it was concluded at the end of the second quarter making us not having enough time to make a profit in time to compensate the cost.

The first two quarters, although the Company has the problem in Channel 19, the Company still sourced enough products and increased sales from other channels of the Company, but we began to see signs of consumer purchasing power began to decline more clearly. The sales per order reduced by more than 20% however with sales techniques, we were able to have the number of orders the refore increased by more than 30%, allowing the Company to maintain sales Anyhow, due to the increase in the number of orders, the cost of delivery to the customers' house has increased in the same proportion, therefore the Company has prepared the High-Ticket Price product to handle for situation in the second half of the year.

At the time, the 7 TV stations decided to return their channel to the NBTC in July and began to close the station, it directly affected the Company's sales. The Company has prepared a plan to transfer budgets from all 7 TV station channels to many parts, whether other digital TV channels, satellite TV channels in all platforms, digital media and social media as well as allocating budgets to build Satellite Call Center in the upcountry area, but the result is not as effective as using the budget with all 7 TV stations. The efficiency of the budget has decreased to 37%. Only breakeven is achieved.



After closing the TV station channels, we hope to benefit from the closed channel advertising budget and the increase in viewership. The result was not like expected. It turns out that most of the budget has been shifted to digital media, outdoor media, and other non-TV media. As a result, almost every TV station decided to do TV Home Shopping business by themselves. Hence, the products are offered on every channel and this is the first time that we have 19 Home Shopping players in the market, divided into 11 TV Home Shopping companies and 8 TV Shopping stations. The competition becomes very intense both in media buying, negotiating with the product owner, hiring TV Home Shopping personnel, this is the most intense competition in the past 24 years.

In addition, in the last quarter, the purchasing power of consumers decreased significantly with the phenomenon of New Year baskets that are almost unsold. Giving gifts to each other and Celebrations in various festivals have decreased significantly, resulting in total sales in the fourth quarter to be the lowest in the 4 quarters of 2019.

Nevertheless, TV Direct Group is able to sustain the situation in the year 2019, generating a profit of 13.38 Million Baht and is the performance of the entire group of companies that are able to help each other to the full capacity and efficiency. For shareholders, you might think why the profit is so little. But for us, all 10 companies are considered this as the masterpiece showing that we were able to survive in various situations in the year 2019.

TV Direct has been preparing to deal with the disruption since 2015. We have spin off the potential internal divisions to create a business to set up a company for a compact and appropriate management for the business that needs to be done. We are rejoiced that the 4 subsidiary companies (TVD holds the major shares) can make a profit. The other 2 companies that we hold a minor share still have some losses and are improving in Year 2020. Furthermore, we set up another 3 new companies at the end of 2019. Therefore, the Board of Directors has resolved to operate the business in two groups, namely B2C (Business to Consumer) focusing to distribute products to consumers, there are 4 companies in this group and B2B (Business to Business) business focusing on providing services to other companies, there are 6 companies in this group.

At the same time, I have been appointed to be the Group CEO to be in charge of supervising B2B business to be in accordance with the Company's plans and Mr. Thanabul Maturanont is appointed to be the CEO of TV Direct (before promotion, Mr. Thanabul was the MD of TVD's joint venture with Momo Inc., the largest TV Home Shopping company and listed in the Taiwan Stock Exchange). These two business models lead to many good results such as risk diversification, creating an Economy of Scale, getting the most out of both Idle Capacity and expertise. Importantly, it is also a full support and help for the product owner.

Conclusion

Sales in 2019 of 4,280 Million Baht and profits of 13.38 Million Baht will be the base for organizations to continue to grow. In addition, the changing of partner policies like Tri-stage, which will fully supports B2B business, and Momo inc. which will be a single major shareholder will also support B2C business with expertise in selling product through both TV and Online channel.

So, everyone Please keep track of the next episode.

Buddha bless,



Mr. Songpol Shanmatkit

Chief Executive Officer

TV Direct Public Company Limited



Board of Directors

01 Mr. Tada Charukitpaisarn
Chairman of the Board / Chairman of the Audit Committee

02 Mr. Songpol Shanmatkit
Director / Chief Executive Officer

03 Mr. Thanabul Maturanont
Director

04 Mr. Chalermpong Mahavanidvong
Director / Chairman of the Executive Committee



05 Asst. Prof. Anucha Chintakanond
Independent Director / Audit Committee Member

08 Mr. Takeshi Tsuji
Director

06 Mr. Suthep Suebsantiwongse
Independent Director / Audit Committee Member

09 Mr. Lertpong Yongthanarat
Director

07 Mr. Wirasack Wirojwattanakul
Director / Executive Committee



Executive Committee

01 Mr. Wirasack Wirojwattanakul
Executive Committee

03 Mr. Wichian Manapongpun
Executive Committee

02 Mr. Chalermpong Mahavanidvong
Chairman of the Executive Committee

04 Mr. Songpol Shanmatkit
Executive Committee



Audit Committee

01 Asst. Prof. Anucha Chintakanond
Independent Director / Audit Committee Member

03 Mr. Suthep Suebsantiwongse
Independent Director / Audit Committee Member

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



Nomination and Remuneration Committee

01 Dr. Pisut Chalakornkul
Nomination and Remuneration Committee

03 Mr. Chalermpong Mahavanidvong
Nomination and Remuneration Committee

02 Mr. Songpol Shanmatkit
Nomination and Remuneration Committee

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



Management Committee

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

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

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

04 Mr. Wichian Manapongpun
Management Committee
/ Head of Finance and Accounting



02

Details of Executives and controlling persons of the Company

Details of Executives and controlling persons of the Company as at December 31, 2019

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 31,2018 (Shares)		Change in Year 2019 (Shares)		As at December 31,2019 (Shares)			As at December 31, 2019 (%)	Duration	Position	Company Name	Type of Business	
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child							Total
Mr. Tada Charukitpisarn Chairman of the Board Independent Director Chairman of the Audit Committee	65	- Master of Arts from Communication Arts Faculty in Marketing / Advertising, North Texas State University - Bachelor degree from Faculty of Science, Chulalongkorn University. - Training courses in Director Certification Program (DCP) class 982008, and UFS class 132008.	205,367	-	-	-	205,367	-	205,367	0.03%	-	August,2018 - Present	Chairman of the Board	TV Direct Public Company Limited	Multichannel Marketing
												February,2015 - February,2019	Chairman of the Board	TVD Broker Co., Ltd.	Insurance Broker
												April 2013 - Present	Independent Director Audit Committee	TV Direct Public Company Limited	Multichannel Marketing
												November 3, 2010 - April 2013	Independent Director Chairman of the Audit Committee	TV Direct Public Company Limited	Multichannel Marketing
												April 2011 - June 2013	Independent Director Audit Committee 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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)			As at December 31, 2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
Mr. Songpol Shammakitt Director (Authorized Signatory) Executive Committee Chief Executive Officer	49	- 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 14/6/2011, and Successful Formulation and Execution of Strategy (SPE) class 13/2011.	55,433,575	367,241	3,750,000	-	55,676,538	367,241	8.62%	56,043,779	May 1, 1999 - Present December 24, 2012 - Present March 2011 - Present March 2010 - October 2012	Director, Executive Director, and Chief Executive Officer Nomination and Remuneration Director Director Independent Director and Audit Committee	TV Direct Public Company Limited TV Direct Public Company Limited TYD Services Co., Ltd. Sino-Thai Resources Public Company Limited Development	Multichannel Marketing Multichannel Marketing Business Support Services 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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)			As at December 31, 2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
Mr. Thanabul Maturanont Director (Authorized Signatory)	49	- 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 15/2011.	7,071,600	28	-	-	7,071,600	28	1.09%	August 21, 2009 - Present	Director	TV Direct Public Company Limited	Multichannel Marketing	
										July 1, 2014 - Present	Managing Director	TVD Shopping Co., Ltd.	Home Shopping	
										March 1, 2013 - June 30, 2014	Head of Home Shopping	TV Direct Public Company Limited	Multichannel Marketing	
										August 21, 2009 - March 1, 2013	Chief Direct Marketing Officer	TV Direct Public Company Limited	Multichannel Marketing	
										March 2011 - July 2011	Director	TV Direct Indo-China Co., Ltd.	Investment	
										2008 - 2009	General Manager	Thai Solar Energy Co., Ltd.	Electricity generating	
										2006 - 2006	Managing Director	North Pattaya Plaza Co., Ltd.	Hotel	
										2000 - Present	Director	TBM Solution Co., Ltd.	Consultancy on engineering and alternative energy	
										March 2007 - December 2008	General Manager - Outbound call center	TV Direct Public Company Limited	Multichannel Marketing	
										January 2005 - February 2007	General Manager - Finance	TV Direct Public Company Limited	Multichannel Marketing	
										Director / Executive Position in Other Listed Companies				
										(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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)			As at December 31, 2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
Mr. Wirasack Wirowetbanakul Director (Authorized Signatory) Executive Committee	54	- Bachelor degree from Engineering Faculty in Electronics Engineering, Tokai University, Japan - Training in Director Accreditation Program (DAP) class 9/2011	6,348,589	-	-	-	6,348,589	-	0.98%	-	August 17, 2007 - Present	Director	TV Direct Public Company Limited	Multichannel Marketing
											May 25, 2011 - Present	Executive Director	TV Direct Public Company Limited	Multichannel Marketing
											November 26, 2013 - Present	Chairman of the Board	TVD Shopping Co., Ltd.	Home Shopping
											2005 - Present	General Manager	USE Electronics Co., Ltd.	Electronic equipment distribution
											March 10, 2000 - Present	Director	Saldep Co., Ltd. (Thailand)	Dealers and install anti-theft alarm systems
											May 12, 2010 - Present	Director	Vieda Med Co., Ltd.	Importer and distributor of medicine and medical equipment
											November 14, 2002 - Present	Director	Reyon Asia Co., Ltd.	Tool and equipment retailer
											November 25, 2005 - Present	Director	RBS Products Co., Ltd.	Buying and selling used decorative furniture for home and building
											August 11, 2008 - Present	Director	B.B. 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										(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 31,2018 (Shares)		Change in Year 2019 (Shares)		As at December 31,2019 (Shares)				As at December 31,2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
Mr. Chalermpong Mahavandivong Director and Chairman of the Executive Committee	48	- MBA from Business Administration Faculty in General Management, University of Leicester - BBA from Business Administration Faculty, in General Management, Assumption University - Training in Director Accreditation Program (DAP) class 8/2011, Audit Committee Program class 35/2011, and Role of the Compensation Committee class 14/2012	1,372,571	-	-	-	1,372,571	-	0.21%	-	November 2019 - Present	Director	Merx 915 Co., Ltd.	Business selling products through online media	
											September 2019 - Present	Director	TVD M Co., Ltd.	Businesses that sell products through satellite television, including the management of advertising media.	
											2018 - Present	Audit Committee ; Independent Director ; Nomination and Remuneration Committee	CSP Steel Center Public Company Limited	Steel service center By conducting steel processing and distribution business	
											July 6, 2016 – Present	Chairman of the Executive Committee	TV Direct Public Company Limited	Roll type plan and steel processing service	
											May 4, 2011 - Present	Director	TV Direct Public Company Limited	Multichannel Marketing	

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 31,2018 (Shares)		Change in Year 2019 (Shares)		As at December 31,2019 (Shares)				As at December 31,2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
											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	Ekaichai Distribution System Co., Ltd.	Advisor and consultant on management	
											1992 - 2006	Country Director	Gillette (Thailand) Co., Ltd.	Distribution of personal care Products	
Director / Executive Position in Other Listed Companies															
2018- Present Audit Committee / Independent Director / Nomination and Remuneration Committee CSP Steel Center Public Company Limited															

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 31,2018 (Shares)		Change in Year 2019 (Shares)		As at December 31,2019 (Shares)				Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total					
Mr. Takeishi Tsuji Director	53	- 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	Tri-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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)			As at December 31, 2019 (%)	Duration	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						
Mr.Lertpong Yongthanasat Director	56	- Aletheia University, Taiwan – Bachelor of Tourism Industry - Passed the Director Accreditation Program (DAP) year 2011	8,515,193	-	-	-	8,513,193	-	8,513,193	1.31%	-	Director 		

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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)			As at December 31, 2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child						
Asst. Prof. Anucha Chintakanond Independent Director Audit Committee Member	76	- 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) class16/2012, Role of the Nomination and Governance Committee(RNG) class 3/2012, and Role of the Compensation Committee(RCC) class 15/2012, Monitoring the	120,106	-	-	-	120,106	-	0.02%	-	2020 - Present	Consultant	Committee of Finance, Financial Institutions and Financial Markets , House of Representatives	Agency
											2019 - Present	Director, Chairman	Security Advisory Committee	Agency
											2019 - Present	Independent Director and Audit Committee	Phillip Life Assurance-Pic.	Life Insurance
											2018 - Present	Vice Chairman of the Independent Directors	Thai Institute of Directors	non-profit organization
											2018 - Present	Director	Naresuan University Advisory Council	higher education
											2017 - Present	Senior advisor	Asia Foundation	International foundation
											April 2013 - Present	Independent Director and Audit Committee	TV Direct Public Company Limited	Multichannel Marketing
											November 24, 2010 - April 2013	Independent Director Audit Committee	TV Direct Public Company Limited	Multichannel Marketing
											2009 - Present	Independent Director Audit Committee	Phillip securities (Thailand) PCL	Securities company

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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)				As at December 31, 2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
		system of internal control & Risk Managements 14/2013, Advanced of Audit committee 11/2013, CG Forum 1/2014 Effectiveness in Board room, CG Forum 3/2014 Challenging as Expectation for Board Engagement on Strategic Risk Management Oversight - IOD Breakfast Talk 2/2016 - How Increased Investor Interest in non-financial information is shapes the future of Sustainability Reporting" - 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.													

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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)				As at December 31, 2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
		- 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													

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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)				As at December 31, 2019 (%)	Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
		- 27 February 2019, attend the Year of the Pig seminar: 5 trends you should know - 19 September 2019 Attend DCP Series 4/2019 Seminar on "How to Develop Winning Digital Strategies"													
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 31,2018 (Shares)		Change in Year 2019 (Shares)		As at December 31,2019 (Shares)			Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child					
Mr. Suthep Suebsantivongse Independent Director Audit Committee Member	75	- Bachelor Degree Business Administration, California State University, USA . - Training course in Director Certification Program (DCP).	-	-	-	-	-	-	-	January 2013 - Present 2013 - Present 2010 - 2013 2008 - 2009	Independent Director Audit Committee Director Chairman of the Board Director	TV Direct Public Company Limited The Royal Bangkok Sports Club Amanah Leasing Public Company Limited Islam Bank	Multichannel Marketing Sport Club Leasing Financial Institution
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, 2018 (Shares)		Change in Year 2019 (Shares)		As at December 31, 2019 (Shares)			As at December 31, 2019 (%)		Duration	Position	Company Name	Type of Business
			Own	Spouse and minor child	Own	Spouse and minor child	Own	Spouse and minor child	Total						
Mrs. La-orsri Maturanont Head of Merchandise	50	- Master Degree, Marketing City University USA. - Bachelor Degree, Business Administration Northrop University USA.	367,241	55,433,575	-	3,750,201	367,241	55,676,538	56,034,779	8.62%	Spouse of Mr. Songpol Shannakitt	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)															

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 31,2018 (Shares)		Change in Year 2019 (Shares)		As at December 31,2019 (Shares)			As at December 31,2019 (%)	Duration	Position	Company Name	Type of Business		
			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	56	- Master Degree from Business Administration Faculty in Business Administration, Kasetsart University. - B.A. from Accounting Faculty in accounting Ramkhamhaeng University. - The lease agreement for recording and drafting the financial lease draft no.16 will become effective. - Overview of the Thai auditing standards. Class 2/62. - Auditors of the future: Perspective of Stakeholders and Audit Data Analytics. - Certified Public Accountant. - Training course in Director Accreditation Program (DAP) class 86/2007.	89	-	-	-	-	89	-	0.00%	89	-	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	Lat Mee 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:	The Company operates a business selling products or services through various marketing channels. Under the Omni business model that is linked to offline and online product sales by 31 December 2019, Business operational structure of the Company can be segmented into 3 main channels as follows:- 1. Direct Shopping which can be separated into 3 parts as 1.1 TV marketing : Selling of products and services through normal television, satellite television, cable TV with membership viewers, and the digital television. 1.2 Selling of products and services through the outbound call center. 1.3 Direct response printing : Selling of products and services through the printed media. 2. Online Shopping : Distribution of products through the websites, mobile applications, including all sales channels of the social media in order to facilitate and serve requirements of retail customers in the digital age. 3. Retail Shopping : Retail distribution of products and services through the TVD Shop including wholesales operations for domestic and international customers.
Registered Capital	406,433,344 Baht Divided into 812,866,688 shares at par value of Baht 0.50 per share
Paid-up Capital	325,191,464 Baht Divided into 650,382,928 shares at par value of Baht 0.50 per share
Address	25, Watcharaphon Road, Tarang, Bangkhen, Bangkok 10230
Home page	www.tvdirect.co.th
Tel.	02-666-0999
Fax.	02-666-0888
Other references:	Share registrar : Thailand Securities Depository Co., Ltd. Address : 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. 02-009-9000 Fax. 02-009-9001 Auditor : Dharmniti Company Limited Address : 178 Soi Treasure (Prachachuen 20) Prachachuen Road, Bangsue, Bangsue, Bangkok 10800 Phone : 02-596-0500 Fax : 02-596-0539

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

As of 31 December 2019

	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	02-556-0288	02-556-0088	Common Shares	Baht 315,000,000
2	TVD Services Co., Ltd. (Originally known as TV Direct Industrial Co., Ltd.)	The original business held investment in a subsidiary. Subsequently, the company provided business support services to TV Direct Public Company Limited and its affiliated companies. Currently, it operates the business of providing broadcasting services or television licenses for TV Direct Public Company Limited and Group of Affiliates.	Thailand	02-556-0999	02-556-0006	Common Shares	Baht 40,000,000
3	TVD Amkor Co., Ltd.	Life insurance broker and other services relate to insurance against loss	Thailand	02-556-0300	02-556-0306	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	02-793-2022	02-556-0888	Common Shares	Baht 70,000,000
5	3-RD Co., Ltd.	Call Center Outsourcing Services and Direct Marketing Solution.	Thailand	02-751-5588	02-353-0500	Common Shares	Baht 50,000,000
6	Magik Pivox Co., Ltd.	Internet Service Provider (ISP), Data Center, Cloud Service, and Internet Connection Infrastructure.	Thailand	02-556-0841	02-556-0840	Common Shares	Baht 30,000,000
7	TVD M Co., Ltd.	Businesses that sell products through satellite television, including the management of advertising media.	Thailand	02-556-0999	02-556-0888	Common Shares	Baht 5,000,000
8	Merx 915 Co., Ltd.	Business selling products through online media.	Thailand	02-556-0999	02-556-0888	Common Shares	Baht 10,000,000
9	Global One Corporation Co., Ltd.	Direct sales and direct marketing.	Thailand	02-216-8511	02-611-1680	Common Shares	Baht 1,000,000

Other important information

Nil.



“Make Life Better Everyday”



TVD
CORPORATE
AWARDS
2019



Company with Excellent CG Scoring



In 2019, 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 3 consecutive years (2017-2019).

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 2019, 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 5 consecutive years (2015-2019).



TCC BEST AWARDS 2019

TV Direct Public Company Limited received the TCC BEST AWARDS 2019 from the Thai Chamber of Commerce. The Company has been considered by the project committee to received Outstanding Ethics Award of the Thai Chamber of Commerce as a Company that operates in accordance with Good Ethics and receive the Thai Chamber of Commerce Business Ethics Standard Test Award 2019 (TCC BEST Award 2019).

AGM Level



In 2019, the Company earned 100 points for the 6th consecutive year (2014 - 2019) from quality assessment on Annual General Meeting of Shareholders by Thai Investors Association.



CAC (Collective Action Coalition Against Corruption) Company

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



The Excellent Establishment on Labor Relations and Welfare

TV Direct Public Company Limited received an award “Outstanding Establishment on Labor Relations and Welfare” and a certificate of honor for 5 consecutive years (2015-2019) from the Ministry of Labor.



Certificate for Supporting the Employment of Social Disabled People

TV Direct Public Company Limited received a certificate of honor from the Social Innovation Foundation as an organization that supports social employment of the disabled for the year 2019. It promotes the disabled to access job and career opportunities in the territories to have an income for self-sufficiency, good quality of life and valuable members of the community.



Certificate of Honor for Drug-Free Establishment

TV Direct Public Company Limited received “the certificate for prevention and solving drug problems in the workplace” from the Department of

Welfare and Labor Protection as the Company can manage prevention and solve drug problems in the workplace in accordance with the standards of prevent and solve drug problems in the workplace.



Best Awards Asian Brand 2019

TV Direct Public Company Limited received the Best Awards Asian Brand 2019 from the Thai Media Council in the 3rd excellent industrial business and management innovation Award for the year 2019.

The Company is considered an establishment with good Total Innovation Management and is ready to be a model for promoting and creating innovation capability for organizations in the country that the Company has innovative ideas (Multi-Marketing Innovation) that requires the dynamics of the product buyers and distributors to be able to connect and sell efficiently.



05

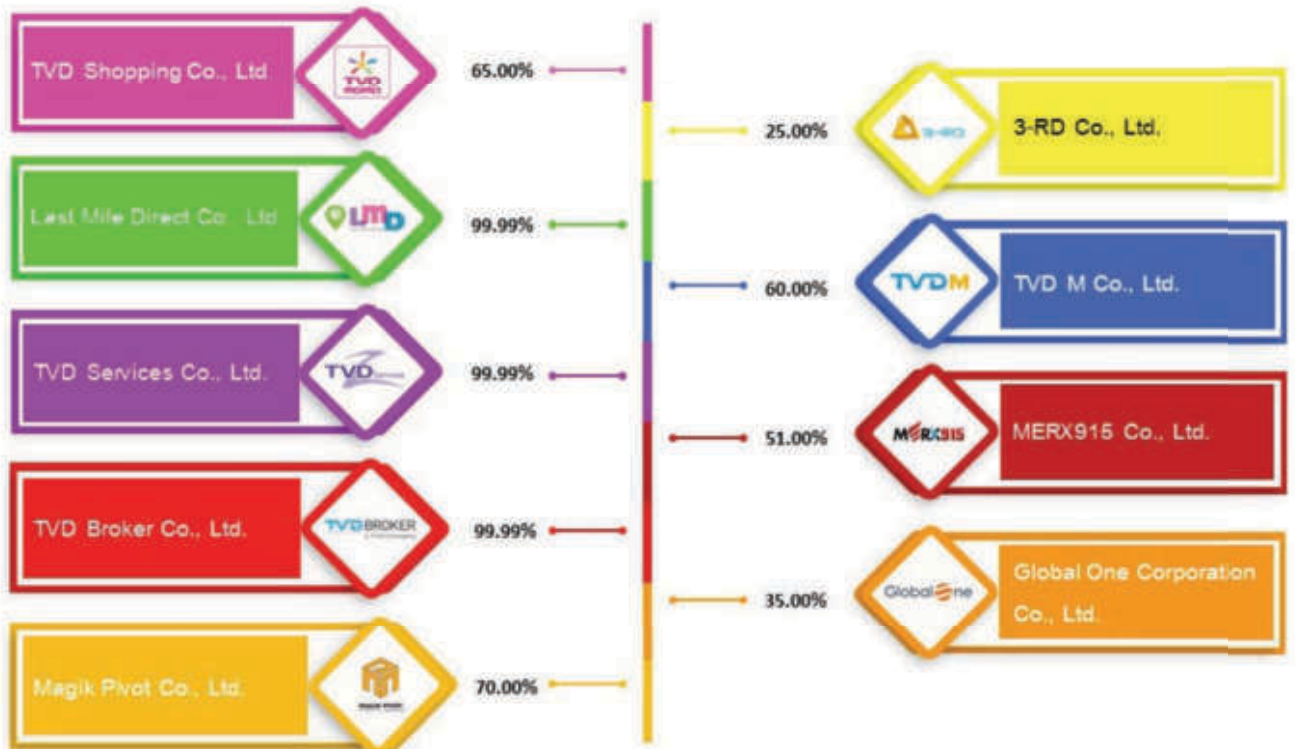
Shareholding Structure

Group's shareholding structure

Group's shareholding structure as at 31 December 2019.



TV Direct Public Company Limited



Business overview of subsidiaries

1. TVD Shopping Company Limited (originally known as Shop At Home Company Limited)

TVD Shopping Company Limited, established in Thailand on 26 November 2013, operates TV Home Shopping Business. It is a joint venture between the Company and Momo.com Incorporated Company Limited, formerly known as “Fubon Multimedia Technology Company Limited”) (“MOMO”), a company established under the laws of Taiwan and is a leading direct marketing business in Taiwan and other countries. the Company and MOMO stake in the venture with the holding ratio of 65 percent and 35 percent, respectively, as at 31 December 2019, with a registered capital and paid up capital of 345 Million Baht.

2. Last Mile Direct Company Limited (Formerly known as “JML Direct (Thailand) Company Limited”)

Last Mile Direct Company Limited has been established in Thailand on 12 June 2013, in which the Company holds 99.99 percent of Last Mile Direct Company Limited’s shares.

Last Mile Direct Company Limited formerly operated a Retail Business, but from 1 January 2017 onwards, the Company operate Logistic & Fulfillment services. As at 31 December 2019, the registered and paid up capital of 70,000,000 Baht.

3. TVD Services Company Limited (Formerly known as “TV Direct Indochina Company Limited”)

TVD Services Company Limited has been established in Thailand on 26 April 2010, in which the Company holds 99.99 percent of the shares in TVD Services Company Limited.

TVD Services Company Limited, formerly operated investment business to hold the shares in subsidiaries but from 1 January 2016 onwards, the Company operates business support business for TV Direct Public Company Limited and affiliated companies. At present, TVD Services Company Limited operates the business to provide the broadcasting or TV broadcasting license for TV Direct Public Company Limited and affiliated companies. As at 31 December 2019 with registered capital and paid up capital of 40,000,000 Baht

4. TVD Broker Company Limited

TVD Broker Company Limited, established in Thailand on 17 October 2014, operates the business of brokerage, life insurance and non-life insurance. The Company holds 99.99 percent of the shares in TVD Broker Company Limited. As of 31 December 2019, the Company has the registered and paid up capital of 55,000,000 Baht.

5. Magik Pivot Company Limited

Magik Pivot Company Limited, established in Thailand on 14 December 2017, in which the Company holds 70.00 percent of shares in Magik Pivot Company Limited.

Magik Pivot Company Limited operates as Internet Service Provider (ISP), Data Center, Cloud Service, and Internet Connection Infrastructure and as at 31 December 2019, it’s registered and paid up capital of 30,000,000 Baht.

6. 3-RD Company Limited

3-RD Company Limited, established in Thailand on 4 January 2007, in which the Company holds 25.00 percent of 3-RD Company Limited’s shares.

3-RD Company Limited operates a business of distributing products through telephone systems, providing call center services and distributing software. As of 31 December 2019, the registered capital and paid up capital of 50,000,000 Baht.

7. TVD M Company Limited

TVD M Company Limited, established in Thailand on 23 September 2019, in which the Company holds 60.00 percent of the shares in TVD M Company Limited.

TVD M Company Limited is a distributor of satellite TV products, including advertising media management, as of 31 December 2019, with a registered capital and paid up capital of 5,000,000 Baht.

8. Merx 915 Company Limited

Merx 915 Company Limited, established in Thailand on 14 November 2019, in which the Company holds shares of Mix 915 Company Limited in the proportion of 51.00 percent.

Merx 915 Company Limited operates online distribution business as of 31 December 2019, with registered and paid up capital of 10,000,000 Baht.

9. Global One Corporation Company Limited

Global One Corporation Company Limited, established in Thailand on 29 October 2019, in which the Company holds 35.00 percent of Global One Corporation Company Limited.

Global One Corporation Company Limited operates direct sales and direct marketing and as at 31 December 2019, with registered and paid up capital of 1,000,000 Baht.



06

Financial Highlights

Summary of financial information

(Unit : Million Baht)

Items	Audit of Consolidated financial statement 2017	Audit of Consolidated financial statement 2018	Audit of Consolidated financial statement 2019
Cash and cash equivalents	213.95	220.16	192.99
Account receivable –Others - Net	135.20	182.45	169.41
Inventory - Net	326.78	314.41	206.67
Land, building and equipment - Net	415.18	393.44	390.65
Intangible assets- Net	62.18	65.94	176.36
Total assets	1,498.32	1,453.73	1,449.50
Bank overdraft and short-term loan from financial institution	259.25	165.73	52.18
Account payable and other payables	423.57	461.82	566.33
Liabilities under financial lease	0.4	0.25	2.05
Long-term loan from financial institution	36.31	16.04	9.11
Total liabilities	773.35	702.76	706.49
Registered capital	341.25	406.43	406.43
Paid-up capital	325.15	325.16	325.19
Retained earnings			
Appropriated-legal reserve	3.8	1.9	3.27
Unappropriated	(206.38)	(149.42)	(162.66)
Total shareholder's equity	724.97	750.97	743.01
Total revenues	3,329.11	3,993.24	4,280.55
Cost of sale and service	1,898.35	2,369.38	2,517.28
Selling and administrative expense	1,479.02	1,530.96	1,713.00
Finance cost	11.33	6.84	3.52
Corporate income tax	(8.24)	20.25	7.76
Net profit	(65.86)	57.57	13.38
Weighted average number of share at par value of 0.50 Baht	650,293,350	650,315,265	650,328,928
Basic earnings per share (Baht)	(0.10127)	0.08852	0.02057



07

Corporate Social Responsibilities

CSR : Corporate Social Responsibilities

Volunteer Spirit for Community Development

TV Direct Public Company Limited has emphasized on the importance of social responsibilities therefore the Company participated in “Volunteer Spirit for Community Development” Project under the cooperation with Sathira Dhammasathan, government agencies, and nearby communities, by cleaning, removing wastes and mud in a canal of Sathira Dhammasathan as the merit offered to King Rama X on the auspicious occasion of the Birthday Anniversary of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun on July 28th, 2019. There were around 280 participants from government agencies, businesses, and nearby communities participated in this activity.



A Drop of Blood for Life

TV Direct Public Company Limited recognizes the importance of social participation and has initiated a project called “A Drop of Blood for Life”. This project has been in coordination with the National Blood Center of the Thai Red Cross Society, in receiving donations of blood and stem cells from our employees and people in the vicinity nearby since 2003 till present. The donations have been arranged in every 3 months. In 2019, the Company held this activity as the 64th time with the total amount over than 4,956,800 CC.

Collaboration Project for Changing Life of 13,000 Cancer Patients

TV Direct Public Company Limited supported and participated in a CSR activity through Collaboration Project for Changing Life of 13,000 Cancer Patients held by MAI Listed Companies Association and Art of Life Social Enterprise Company Limited in order to build inspiration, understanding, and correct cancer treatment plan. The Company participated in this project by publishing and distributing free ‘Survivor Planner’ via phone and online channels to patients and their relatives throughout Thailand in order to give them a new perspective on correct cancer treatment planning and post-treatment living.



Green Herit : Reduce Wastes...For Turtles

TV Direct Public Company Limited realized on the problem of plastic waste that is affecting to current environment therefore the Company cooperated with CARE THE WHALE Project to join some study trips and hold the campaign on reduction of plastic use by presenting some refillable products that can be refilled in customers' containers. This activity also fosters the Company's employees to realize on importance of environment through reduction of plastic use.



Pankan Society Project

Pankan Society by Yuvabadhana Foundation is the key platform to build participation of people in Thai society in the form of Social Enterprise in order to distribute products for gaining benefits and better changes of Thai society without deducting any expense. Some amounts of income are also given as scholarships for underprivileged children in Yuvabadhana Foundation.

TV Direct Public Company Limited supported this sharing by providing some donation spots in the offices enabling employees to participate in this society activity by building Nak Pan Network and Pankan Volunteers in order to make Thai society become the actual charity society.

“Quit Smoking Course” Project

Held an activity to reduce and quite smoking

To drive the Company to perform operations efficiently, it is necessary to reply on full potential of resources in all dimensions, especially employee that are considered as the precious resources. If employees lack of enthusiasm on working, they will be unable to perform their duties efficiently without any illness with sufficient income for living and disturbance against any surrounding person. Therefore, the Company held “Quit Smoking Course” Project to reduce the number of smoking persons in workplace. This project would make smoking persons realize on the importance of health effects caused by smoking in order to promote health of employees.

The targets of the first project were at least 50% of smoking persons (47 persons) of employees in all levels of the Company and associated companies. The expected results were reduction of the number of smoking persons in workplace, employees were able to quit smoking completely, employees gained knowledge and realized on negative effects of cigarettes against themselves, their families, and surrounding persons, The activity was performed by planning the action plan, holding the meeting of Project Public Relations Committee, surveying data on smoking employees, recruiting participants, holding a training to provide knowledge on bad effects of smoking and guidelines for quitting smoking given by Thai Health Promotion Foundation (ThaiHealth), distributing 31 Rien pipes to employees (for 1 month), following-up smoking of employees, and concluding the project results.



Safety And Health Week Project

1. The president gave a speech to open Safety and Health Week Project.



2. First Aid and Office Syndrome Training



3. Basic Fire Prevention and Control Training



4. Safe Driving Training



5. Annual Fire Drill and Emergency Plan Review



To drive the organization to perform operation efficiently, it is necessary to rely on full potential of resources in all dimensions, especially supporting and promoting knowledge on health of employees, safe working at workplace and daily life as well as warning and providing knowledge on safe motorcycle riding. Therefore, the Company held Safety and Health Week activity at the Company with 215 participants aiming to reduce unsafe working behaviors while improving safe working behaviors in order to reduce the statistics of work hazards and improve knowledge on first aid/office syndrome and safe driving. These activities would promote their safe behaviors to meet with laws on safety. There were 215 employees participated in these activities. For basic fire prevention and control training, it is legislated by laws that 40% of employees of each department must be trained and 100% of them must participate in Annual Fire Drill. In this project, 85% of employees participated in this activity and they were encouraged to perform their duties more efficiently. They gained knowledge on first aid, office syndrome, safe driving, basic fire prevention and control, and Annual Fire Drill therefore they were ready to deal with all situations and reduce possible losses caused by work hazards.

Activities

- On Wednesday 2nd October 2019, Safety and Health Week was held (with games/quizzes, giving gifts/providing knowledge on first aid, office syndrome, and safe driving.
- On Thursday 3rd, 2019, basic fire prevention and control training was held.
- On Friday 4th, 2019, 2019 Annual Fire Drill was held at TV Direct Public Company Limited and 4 associated companies.



Scholarships for Employees' Children

TV Direct Public Company Limited provides employees the welfare in the form of scholarships given to their children and the scholarship ceremony is held in August every year. In 2019, fifty-five scholarships were given in the total amount of 140,000 Baht. These scholarships could be divided into 4 levels including 35 scholarships for primary education level in the

amount of 2,000 Baht per scholarship, 11 scholarships for secondary education level in the amount of 3,000 Baht per scholarship, 4 scholarships for vocational education level in the amount of 4,000 Baht per scholarship, and 5 scholarships for Bachelor Degree level in the amount of 5,000 Baht per scholarship.

Cooperative Education Project

TV Direct Public Company Limited cooperated with leading educational institutes to hold the Cooperative Education Project that is considered as the educational system emphasizing on systematical operation in places of business. The project was operated by providing instruction in educational institutes along with practical operations at places of business. Students' assignments met with their major with emphasis on work-based learning or projects that are beneficial for places of business, for example, improvement, enhancement, or problem solving on work process. Students were able to complete their operations within 4 months therefore they were able to learn and gain experiences from working with quality as demanded by places of business. In 2019, there were 11 students participated in this project.



Employment of People with Disabilities

TV Direct Public Company Limited participates in promoting and developing quality of life of disable persons by changing image of disable persons to be demanded by the labor market. The Company prepares readiness on office supply for convenience of disable persons and there are currently 16 disable persons working with the Company. The guidelines for promoting occupations of disable persons based on this law are enabling disable persons to gain their own occupations. Besides being beneficial for living of disable persons, this action also enables disable persons to participate in social activities equally.

Learn@Site

TV Director Public Company Limited strives to provide knowledge by holding Learn@Site activity for students or anyone interested in joining the study trip and work as the Company's employees for 1 day. Participants could try many works in various booths, for example, telephone sales, product presentation, and direct mail design. These activities were considered to give new perspectives to new generations on the actual world of working.



Phansa Candle Offering

TV Direct Public Company Limited, by executives and employees, offered a Phansa candle and money obtained from "Phansa Candle Offering 2019" activity to Wat Siripong Thamnimitr.

In this year, the Company prepares the Sustainable Development Report that can be learned more via the Company's website : 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
- Engagement
- Life Time Value
- Satisfaction

FULFILLMENT

- Trace & Track Technology
- Special Handling Home Delivery

PRODUCT

Problem Solving Product

- Communication
- Innovation
- Accessibility
- Responsibility

PEOPLE



INNOVATION

- Product
- Service
- Process
- Concept

Core Value

TVD We CAN

C Caring_____

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

A Accountability_____

- Proactive
- Accountability and Responsibility
- Achievement Oriented

N eNjoy_____

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



09

Business Operation

Business Operation

Company Name TV Direct Public Company Limited

Company Registration No.0107554000101

Business Operation

The Company conducts its business on distribution of products and services through the multi-screen marketing under business model of Omni Channel that links offline and online sale channel. As at December 31, 2019, the Company's business operation structure can be divided into 3 main sections as follows;

1. Direct Shopping : This can be divided into the following 3 categories:
 - 1.1 TV Marketing, the offering of products and services through normal free television, satellite television, and television with cable-TV membership and digital television.
 - 1.2 The offering of products and services through the outbound call center (Outbound Call Center).
 - 1.3 The offering 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 TVD Shop, including wholesaling through domestic and foreign customers.



Revenues Structure

Revenues structure of the Company and subsidiaries companies during 2017 – 2019 is listed below:

Type of Revenue	Operat ed by	2017		2018		2019	
		M. Baht	%	M. Baht	%	M. Baht	%
1. Revenue from sales and services							
1.1 TV marketing	Company	1,995.21	59.93	2,536.10	63.51	2,703.95	63.17
1.2 Direct marketing							
- Outbound Call Center	Company and Subsidiaries	348.09	10.46	387.73	9.71	388.72	9.08
- Printed media	Company	92.12	2.77	70.08	1.76	47.64	1.11
- Website – Online	Company	129.98	3.90	246.58	6.17	222.50	5.20
- Call Center	Subsidiaries	53.52	1.61	64.93	1.63	87.42	2.04
Total Revenue from Direct Marketing	Company and Subsidiaries	623.69	18.73	769.32	19.27	746.28	17.43
1.3 Conventional Marketing							
- Retailing through Direct2U and TV Direct Showcase	Company	248.20	7.46	246.19	6.17	199.73	4.67
- Wholesaling to domestic and foreign customers	Company	35.07	1.05	37.98	0.95	26.29	0.61
Total Revenue for Conventional Marketing	Company	283.28	8.51	284.18	7.12	226.02	5.28
1.4 Services ¹⁾	Company and Subsidiaries	392.85	11.80	368.12	9.22	460.62	10.76
1.5 Other jobs ²⁾	Company	15.74	0.47	23.01	0.58	16.32	0.38
Total Revenues from Sales and Services		3,310.77	99.45	3,980.73	99.69	4,153.19	97.02
2. Other revenues ³⁾	Company and Subsidiaries	18.35	0.55	12.51	0.31	127.36	2.98
Total Revenue		3,329.11	100	3,993.24	100	4,280.55	100.00

Remark: 1) Services mean offering contract production services on advertising media and providing advertising times for customers, or organize 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 2017 – 2019

Revenue From Sales and Services	Operated by	2017		2018		2019	
		M. Baht	%	M. Baht	%	M. Baht	%
Domestic	Company	3,310.77	99.98	3,980.73	100	4,151.24	99.95
Foreign	Company	0.00	0.00	0.00	0.00	1.95	0.05
Total Revenue from Sales and Services		3,310.77	100.00	3,980.73	100.00	4,153.19	100.00

Details on Business Operation of each section are as follows:

In the year 2019, TV Direct Company Limited operates its business by combining marketing channels. There are many different channels (Multi-screen) to create a sales marketing in a single form, Omni Channel, which is a market that is widely adapted to today's business of many companies.

Omni Channel is a communication channel with customers that has many channels and communication in various channels are integrated into one, which is a combination of communication channels both online and offline sale such as via printed material or in-store sale that will make audiences and consumers who interested in the product from different channel can conveniently trace the purchase of products through one single channel to create a seamless experience for customers, which is a marketing system in the economic and social 4.0 era.

Marketing model can be separated into 2 main channels as follows.

1. The channel for selling products and services in the form of video animation such as the sales channel through television media, both via digital TV, satellite TV, Social Media, Online or Website media. In most cases, sales are still made via telephone and telephones, both inbound and outbound sales (Outbound Call Center).

2. Sales channels of products and services in other non-video category media formats, which includes sales through catalogs, credit cards, print media, sales through TVD Shop stores, caravans or wholesale to domestic and international customers.

In addition, TV Direct also rebranded the new company logo to be modern and update with the digital era with the "TVD" logo and the new slogan which is concise and clear Make Life Better Everyday. It was launched since the beginning of 2019, ready to be in the Digital Transformation era with Omni Channel marketing that connects all channels of sales, ensuring that the company achieves sales growth as planned.

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The Company has adapted its business model from Multi-Screen to distribute products and services through various marketing channels to a new business model "Omni Channel" by integrating both offline and online marketing channels and have developed an information software system that will be used to increase the efficiency of the management and support for providing services to customers. The 3 main channels in the Company's business operation are 1. TV channel (selling in the form of infomercial or Home Shopping) 2. Retail stores nationwide under the name of TVD shop and 3. Online social network channels. The three channels are integrated together to help each other improve efficacy and responding to consumers' buying behavior in today's changing era to be able to access the products and services of the company conveniently anywhere, any occasion, and any time, which will create a good experience for customers and the purchase will be repeated.



DIRECT SHOPPING



Direct Shopping

This can be divided in to 3 main sections as follows

1. TV Marketing

Description of Business and Operaton Plan

Offering products and services through television media is still the main channel for generating the best revenue for the business and also helping to affect sales through other sales channels of the company. As well, the format of TV infomercial is still in the form of Home Shopping, Infomercial and a 2-minute spot that will offer a complete sale and product features, along with pricing strategies and promotions that will stimulate purchases within the air time. In addition to each program being able to generate sales, it can also create awareness and reinforce the TV Direct brand to the consumer audience at the same time. Nowadays, consumers' behavior tends to buy products with more feelings and emotions. Omni Channel marketing is able to respond to the ordering process that is convenient, fast, and also creates a good impression on customers. Although there are many communication technologies and the TV have a lower proportion of viewership, but TV is still an important channel that allows broadcast products to create better sales across all channels than products that have not been broadcasted on TV.

The Company has set the plan to create sales to market the product sales through television media of the year 2019 as follows

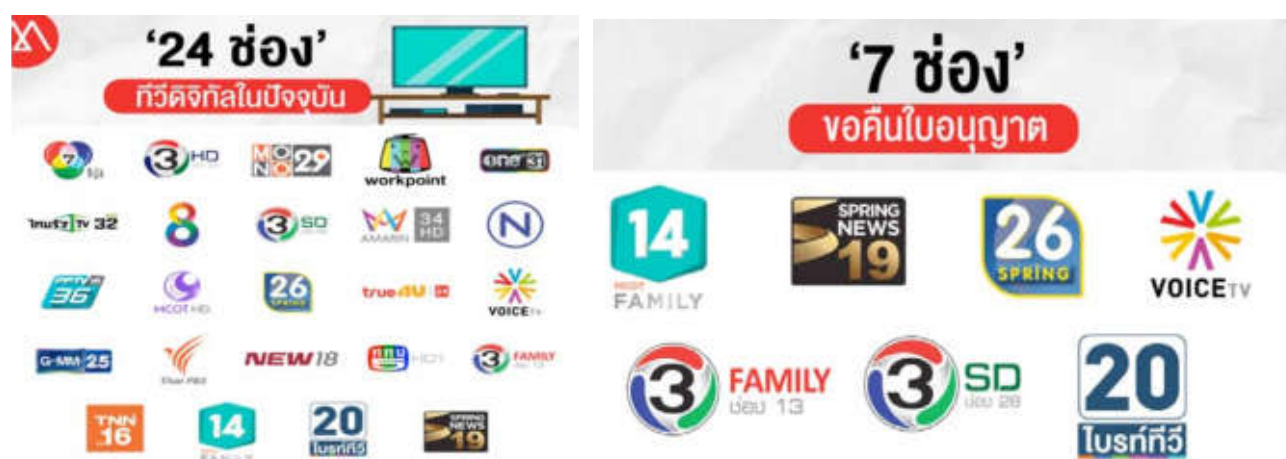


1. Digital TV

Marketing through digital TV media, which is considered a national television channel that all Thais in all group can watch the TV across the country. According to the news, over 69 million of Thai people, the people who have TV is 98.1% (21.72 million households) or in other words, every household has a TV. Watching television programs is still the foundation of every family's life. Originally, there were 24 television channels licensed by the National Broadcasting and Telecommunications Commission, but in the year 2019, the NCPO government brought in Article 44 of the Law to help the digital TV channels that is not able to run business further. As a result of this measure, the NBTC has terminated the broadcasting license of 7 channels. There are currently 16 remaining digital TV channels (The 7 digital TV channels has been closed since August in accordance with the remedy measure of each channel).

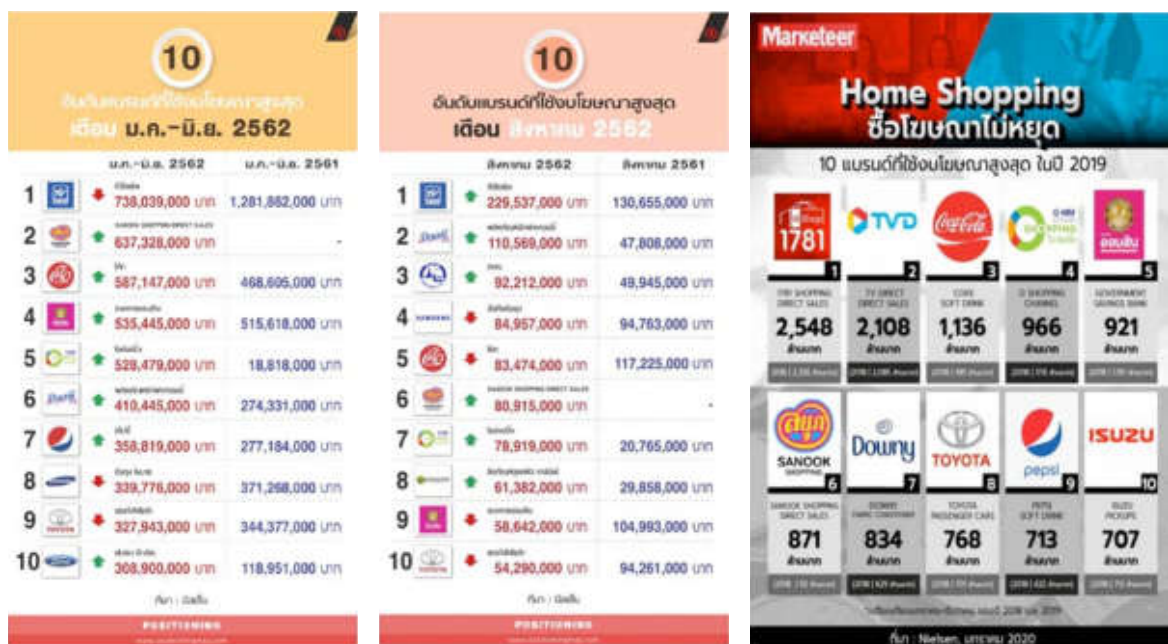
The return of digital TV channels of all 7 TV operators has impacted the TV Home Shopping business due to the lack of one of the major channels to generate revenue because all 7 TV channels that are closed used almost all advertising slots for TV Home Shopping products.

Nevertheless, the TV Home Shopping Association still believes that the business of selling products through television media in the next 3-5 years is still good, although the main target group changed to older people and even the new generation likes to use online channels to buy products more.



In 2019, almost all digital TV channels still have difficulty in earning revenue from product advertisement, which is reducing, unlike the number of stations that have increased. As a result, almost every television channel added new program planning to broadcast programs for sale of products in many days, at various times. In addition, the sale of product is created or inserted in the variety show program or many news programs or open for the company that sells the products to rent the air time for the broadcast of the program to sell products in the Home Shopping format, which is different from the early stages of having a digital TV where this type of product recommendation will be broadcast only in the form of Infomercial. However, at present, the product sale program is allowed to mentioned the product name, product specifications, sales demonstrations, prices, and telephone numbers in almost every channel, without being censored. The station will only focus to ensure that the sale of products in the category of food and drug, beauty products, products related to people's beliefs to be in accordance with the rules set by the NBTC and government agencies.

TV Direct has applied the digital TV media to generate sales by choosing channels and times with good ratings with many audiences and have media plan and sale plan to create sales, build product awareness and confidence in the business. Based on this TV media buying plan, TV Direct is still listed as the company that has the highest advertising media usage according to many marketing reports.



2. TV Station

Satellite television station is a 24-hour Home Shopping product marketing channel and TV Direct has license for broadcasting or television from NBTC for more than 5 years. At present, TVD has 4 channels, including satellite TV station, TV Direct 1, TV Direct 2 and TV Direct 3, all of which can be watched through every satellite box in both C Band and KU Band systems, with channel numbers as follows.

	กล่อง PSI	กล่อง IPM	กล่อง GMMZ	กล่อง BIG4
TV Direct 1	39	39	39,53,78	40 , 52
TV Direct 2	40	40	40,63,86	45 , 56
TV Direct 3	55	55	44,55,66	37 , 55

TVD 4 is a new channel that has just received a license at the end of 2019. It is planned to be a business channel that will sell Segmentation Product specifically and broadcasted via TrueVision's network box or the channels with a clear audience.

This year, satellite television channels have achieved the best sales results with the most profit. This can be analyzed from the behavior of consumers that have more audiences watching television through boxes and satellite dishes. In addition, consumers are confident in the purchase through TV, resulting in this type of business occurring in many channels broadcasting via satellite television, which is the same as digital TV and the behavior of consumers has changed by having some audiences who are interested in watching the program to look for particular product sales and choose to buy products through this channel immediately. Therefore, this is an opportunity to make TVD Channel 1, 2, 3 being able to generate revenue for the company to achieve the planned target.

As for product marketing, the company has increased the portfolio of Health & Beauty which is one of the main target groups which the company is interested in. Furthermore, it is also a trend that health products tend to grow and they are products with a good margin, easily create repeat purchases and have clear consumers. Sales of this product group have risen to the top of the sales category this year and the company has a clear plan for TVD 4 to be a new channel for the sale of products in this category particularly.

The marketing procedures and established operational policies has been set up in product sales plans for all channels in order to make TV sales businesses achieve their goals. The work is planned to be carried out through following procedures and various departments.

1. Merchandise Marketing
2. Production
3. Media & Broadcast
4. Call Center & Telesales
5. Data System

Merchandise Marketing

This department is responsible for procurement and product selection to create sales through television channels. The Merchandise Marketing team has formulated a plan by providing personnel to procure products that are diverse and sufficient to be sold in all channels according to the Omni Channel marketing structure. In term of selling products through TV, we emphasize on having different types of products, to be like a department store to be in response to the broadcasting of products that must be available 24 hours a day, every day. The focus of the product marketing team is to select quality products to ensure the users to be confident when buying products from TV Direct. Impressing Customer Experience is one of the main policies that the company has always focused on. In addition, the present marketing in which every television channel competes to make a product sale, causing the Merchandise team to do homework in sourcing products that can differentiate themselves from competitors in order to make the channel interesting and the sales programs are continuously watched every day.

In procurement, the Merchandise team will divide the work groups to procure products in the main categories. The first product category is the Mass Product that must be available in every home, every family. The products in this category are products that can easily generate sales because the price is not high, with ruffled promotion and meet the needs of the target audience on television, such as kitchen utensils, blenders, bedding, household products, etc. The second category is Segmentation Products that meet the specific need such as fashion products, clothing and underwear. The final product category is the important one in this year's plan that will be able to generate sales and profits as well as create repeat purchases is health supplements and beauty products.

In the year 2019, TV Direct's best-selling products are kitchen utensils, exercise products, and products for the target customers aged 40-50 years and above. This is still a good conclusion that TV Direct is the leader in selling exercise products on TV.

In 2019 TV Direct had some popular products that cold generate volume as follows:

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



Our popular products that can generate good sale volume every year.



Genie Bra: Fashionable and Comfortable Bra



Interesting Household Products that should be in all houses.



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



Health and Beauty Products



Production

TV Direct's production team is a team with expertise in the production of various sales programs, such as Home Shopping, Informercial, and Two minutes Spot, in which various formats are scheduled for the production team according to the plans of the media team and the broadcasting channels.

In the production of that informercial program, the production team will focus on creating programs that can generate sales for the products within the specified time which the number of incoming call to order product within the broadcasting time will be a good measure that the company assigned to the producer team for each product list. Most program formats will create interest in the product from the beginning of the program, in order to stimulate the incoming call with product information, prices, and promotions that will encourage consumers to watch the program until the end. The production team will use the showhost with good-looking personality, have fun and be friendly to the audiences with beautiful clothes, hair and modern scenes. Production of the program must have a clear picture and sound quality to make the product look good, worth the price and promote the image of the business, create trust, build confidence and the important thing to be emphasized every time at the end of every show is a TV Direct brand with a new logo and sincere slogan with "Make Life Better Everyday"

Media & Broadcast

Media & Broadcast is the department that plays an important role in forwarding product and selling lists in various formats to the audiences by creating a broadcast chart to match the target audience and the time to present various products. Media team will arrange the broadcast chart by selecting products, various informercial programs prepared by the production team, including the broadcast plan in order to create a target group for the channel. After the planning is completed in accordance with the sales policy, the media team must coordinate with the staff in the broadcast room and send this plan to the sales department in order to share the same information. The digital TV must also have media plan to be forwarded to the staff of the digital station's broadcast team in order to be broadcast in the same format.



Creating the broadcasting schedule, TV Direct media team has experience and a lot of expertise from the sales experience for over 20 years, which the company had achieved the sales as planned set forth by the media team and the most important part of the media team is checking product sales after broadcasting as soon as possible. Checking sales responses will come from reports and data that are systematic and efficient, as well as receiving additional information from Telesales, thus it is possible for media teams to report, compare number of incoming calls, sales and advertising budgets to deliver to the executives for the analysis, meetings and manage for media planning and modifications, show updates, product updates or promotions quickly and efficiently, as well as making the purchase of advertising media in various television channel able to use the media cost-effectively in order to generate sales and initial profits in line with the company's target.



Call Center & Telesales

Telesales sales are the final stage of sales and therefore it plays the most important role in this whole process because if the company has a powerful and capable sales team, it can close the sale very well. Customers who call after watching the program still need clear information and ask for more information to make a decision again. Impressing Customer Experience by providing sales information for this decision is a very important part of the company this year. Therefore, all telesales must be trained to provide product information and have knowledge about the product with a deep and excellent understanding in order to be able to pass on both the price information, product details, promotion and encourage immediate product purchase including making the customers interested in ordering products in the least amount of time in sales, which will increase the number of calls, increase the number of sales.

In terms of administration and management, sales leaders and managers must build good relationships within the team, which will make all Telesales staff be happy in their work. In terms of product introduction, every salesperson will have the opportunity to experience the product and use the product, have a look at the infomercial in order to create an understanding that will ensure good and accurate data transfers with buyers.

The salespeople will have a sufficiently organized work schedule to support incoming calls according to the media broadcast schedule for 4 hours, including scheduling to have supervisors ready to resolve work problems for the staff to enhance work efficiency and coordinate the work of the workforce with various departments so that customers can get products quickly and completely.

The shipping team will receive orders from sales staff correctly and completely and coordinate with each other to deliver products to the buyer as agreed with the product quality that is according to the work notification. Products are delivered directly to the buyer correctly, fast, on time. At present, the product delivery takes not more than 3 days for with Bangkok delivery and up to 5 days in other provinces. If customers have to request earlier, both the sales team and the delivery team also supervises and processes together in order to have the delivery meeting the customer needs.



Data System

In the answering call system, database system and forwarding data links, there is a need for networks to be stable and speedy to help support sales. At present, the company analyze and apply the database from television sales to enhance the marketing of products in other channels as well. Therefore, the database and system must be efficient, complete, fast and accurate. Information Technology MIS has a role to be responsible for regularly checking, updating and developing database in order to be able to forward effective reports to various teams on a daily basis, every morning and data program that is up to date with real time events must be prepared in order to make the status of sales and products can be checked immediately for analysis and management, resulting in the supervision and management of the company's sales quickly and with the correct approach.

Customer database, product database, and sales database have many benefits that will create sales to extend to the business to various departments and for the businesses of the affiliates such as the Outbound Division and TVD Broker. Using the same and matching database, the management and the team can bring the reports together to analyze, plan and manage according to the work processes of every department. Sales reports and profitability analysis from an efficient database can effectively and accurately always affect every level of management.

General Competition and Competitors

The growth of the TV Home Shopping business each year causes many companies to begin to see the opportunity in the business and bought the airtime on TV channels to create a brand offering products in various formats including the owners of digital TV channels themselves who have seriously turned themselves into doing home-shopping TV as they saw the opportunity to earn the income from selling TV products through their own channels which is more than selling slots for those who are interested. The TV Home Shopping business in addition, a large number of new players were added to compete in this business, not less than 2 from 13 in the previous year. Even though the TV Home Shopping market has more players, it still has a chance to earn more as the TV Home Shopping's revenue proportion is only 0.1% compared to the value in the retail business. This has become a challenging opportunity for other small and medium entrepreneurs who wish to enter the market and create growth for this market as well.

In the current situation, television audiences have also seen various product sales programs in almost every TV channel, which is a situation that the government and the NBTC are aware of, which can be observed by the policy of easing to broadcast programs selling products in the form of Home shopping. The presentation of some dietary supplements and beauty products are oversights by the government, the NBTC, and the OCPB. The competition for product sales is therefore clearly increasing. Hence, TV Direct Company must focus on producing programs, finding products which must differentiate and have outstanding product qualities that are superior to others to allow the audience to make decisions instantly. Moreover, only one channel of marketing is no longer able to effectively affect the sale results. To increase operational efficiency for the company, TV Direct Group, therefore, rearranged the work to create interconnections in the form of Omni Channel, which includes grouping of purchasing, marketing, media, and operations to create elite teams that have flexibility in work and reduces redundant work sections. It is to adapt to the behavior of consumers that the product selection has changed a lot, so that consumers are confident in the purchase of products via TV channel and choose products from the TV direct channel more. Customers can buy products without having to leave the house, no wasting time, no fuel, and payment is safe and they will receive products before paying with a reasonable price and interesting promotions. In addition, customer will be confident that they will receive certainly the products as they have seen.

As for the marketing plan this year, the company has added a special portfolio for the Health & Beauty product group, which is a product that meets the needs of television audiences, as measured by the sale of this product group being in the top 20 bestsellers, which are not only the top selling products, but also the products with good gross profit margin that will increase the ability to make profit for the company. Products in this group include health food supplements, vitamins, herbs and weight loss coffee. Beauty products such as facial creams, skincare and soap etc. The products in this portfolio can also create sales, marketing from repeat purchases, and also make the Outbound sales, incoming calls, and good sales. The company has started marketing this group of products with a gradual introduction of products to the market since the end of the year 2019, which is expected to receive good response from consumers certainly.



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 2019 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.

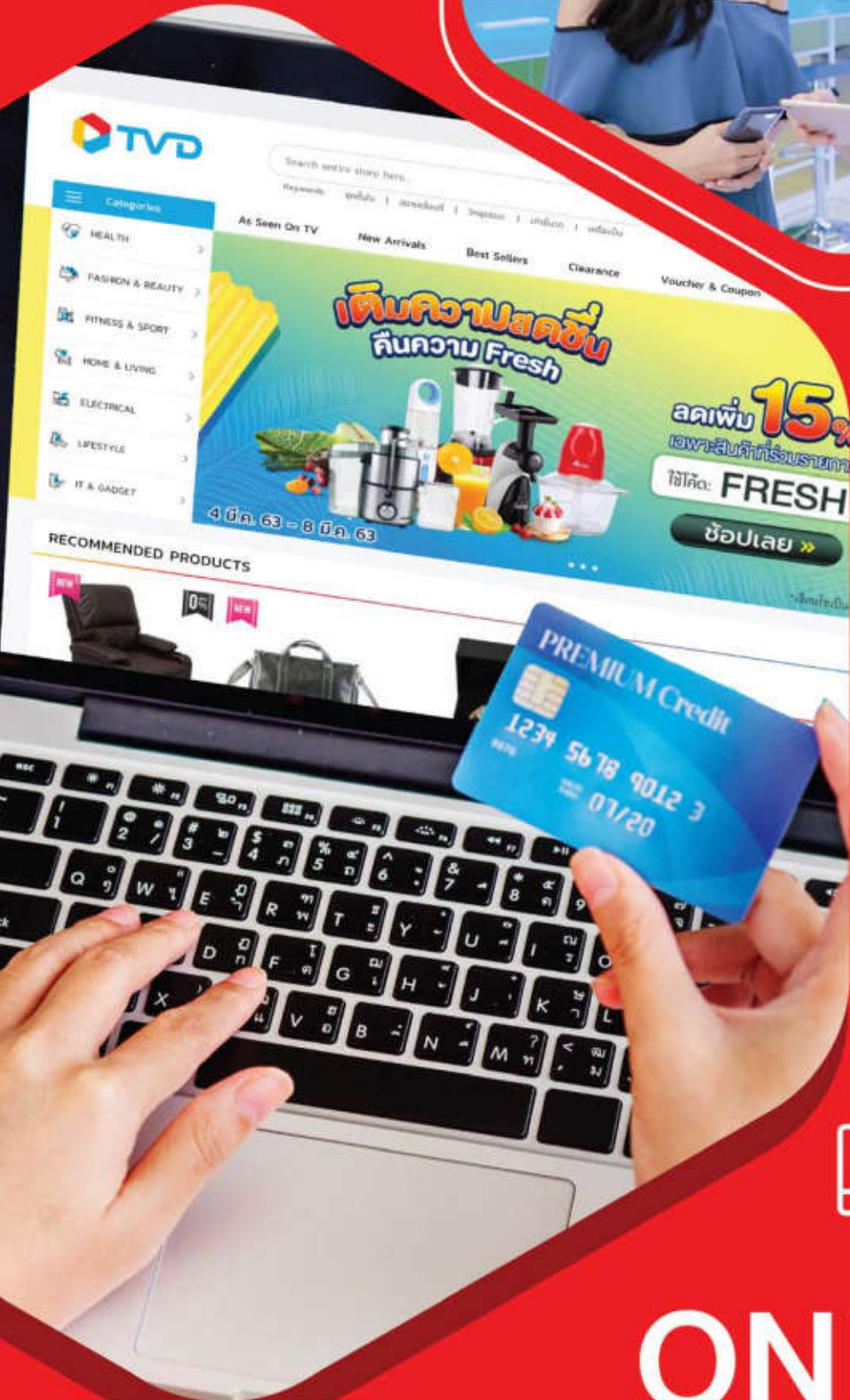
3. Direct Response Printing

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 3 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, fuel oil station etc. 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 provided personnel to accept the purchasing orders of more than 7 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 facsimile.





ONLINE SHOPPING



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 2020.

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 340,000 likes and we become a partner in joint marketing. In 2020, 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 launch LINE OA in the 2nd quarter. This will enable us to have the potential to reach customers effectively. For Google/Youtube: we have 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 response 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. In addition, the Company also sells products through websites of leading retailers i.e. HomePro, Shopat24, Robinson Online and Central Online.

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 growth as planned.



RETAIL SHOPPING



Retail Shopping

(1) Description for products and services

The Company distributes products and services through retail shops of “TVD SHOP”, 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 “TVD SHOP” 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, 2019, there are 87 “TVD Shop” retail shops, situate in communities, leading department stores, and modern trades as per list below.

Province	Qty	Location
Bangkok	13	(1) Head office (2) Central Plaza -Rama 3 (3) 4026,4028,4030 Soi Jakwam cinema, Asoke-Dindaeng, Dindaeng, Bangkok 10320 (4) 296 Panitchakorn Thonburi road, Watthaprasa, Bangkokyoi, Bangkok (5) 11 Moo 3, Suwintawong Road, Lamphakhee, Nong Chok, Bangkok 10530 (6) The Mall -Bangkapi (7) 18/7, Moo 3, Soi Sukhantasawat 25, Bang Pakok, Ratburana, Bangkok 10140 (8) Seacon Square - Srirachin (9) Fashion Island (10) Paradise Park (11) Seacon -BangKae (12) Pleamary Mall- Watcharapol (13) Thai Watsadu Bangna
Nonthaburi	4	(1) 264 Liangmuang Nonthaburi Road, Talad Guan, Muang District, Nonthaburi 11000 (2) Homeworks Shopping Mall, Ratchapruk (3) Central Plaza Ratanasibal (4) Central Plaza Changwattana
Pathumthani	2	(1) 175,176, Rattanakosin 200 years Village, Rangsit - Pathumthani Road, Prachaliput, Thunyaburi District, Pathumthani 12130 (2) Future Park - Rangsit
Nakhonpathom	1	88 Rajwihsee Rd., Prapathom Jaydee, Muang District, Nakhonpathom 73000
Samutprakan	2	(1) 2014/2 Moo 1, Tayperak Rd., Samrong Nus, Samutprakan 10270 (2) Imperial World - Samrong
Samutsakhon	2	(1) 1300/93, Ekkachai Rd., Mahachai, Muang District, Samutsakhon 74000 (2) Central Plaza - Mahachai
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
Ayuthaya	2	(1)134/28, Moo. 3, Klong Suanphu, Phanakhon Sri Ayuthaya 13000 (2) Ayuthaya Park Department Store
Suphanburi	1	249/289 Moo 5, Tar Rahut, Muang District, Suphanburi 72000
Kanchanaburi	1	44-46, Saeng Chooow Road, Muang District, Kanchanaburi 71000
Nakhonsawan	1	152/5-6 Sawan Wethee Rd., Parknampoe, Muang District, Nakhonsawan 80000
Singburi	1	TOP PLAZA Shopping Center, Singburi
Chonburi	5	(1) 112/177, Moo. 1, Samed, Muang District, Chonburi 20000 (2) Building No. 74/50, Moo 8, Nong Pla Lai, Bang Lamung, Chonburi 20150

Province	Qty	Location
		(3) 82-84, Sriracha Nakorn Road, Sriracha, Sriracha, Chonburi (4) 349, Nong Sak, Ban Bueang, Chonburi 20170 (5) Central Plaza Chonburi
Chanthaburi	1	30/255 Moo. 7, Chantaburi, Muang District, Chanthaburi 22000
Rayong	2	(1) 65/18, Chanta Udom Rd., Ta Prodee, Muang District, Rayong 21000 (2) Passion Department Store, Rayong
Chacengsao	1	Robinson Department Store, Chacengsao
Prachinburi	2	(1) Building No. 680/1, Moo 10, Ta Toom, Sri Mahaphot, Prachinburi 25140 (2) Robinson Department Store, Prachinburi
Nakhon Nayok	1	(1) 162/4, Moo 1, Ta Chang, Muang Nakhon Nayok, Nakhon Nayok 29000
Saraburi	1	184 Phahon Yothin Rd., Park Praew, Muang District, Saraburi 18000
Lopburi	1	138 Nara Maharaaj Rd., Talay Chuporn, Muang District, Lopburi 15000
Chiangmai	2	(1)38/12-13, Chiangmai – Lampang Rd., Changphuek, , Muang District, Chiangmai 50300 (2) Central Airport Plaza, Chiangmai
Chiangrai	1	(1) 149/4, Moo. 11, Tessabam Bando, Phahon Yothin Rd., Muang District, Chiangrai 57100
Phitsanulok	2	(1)398/2-3, 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 Project, 300/161, Moo. 6, Kalsi, Muang, Nan 55000
Kampangatch	1	252/8, Charoensuk rd., Naimuang, Muang, Kampangatch
Phichit	1	TOP Plaza Phichit
Nakhonratchasima	1	(1) 830/2, Suaburi Rd., Nai Muang, Muang, Nakhonratchasima 30000
Chaiyaphum	1	Robinson Department Store, Chaiyaphum
Yasothon	1	408/25, Vithayathornong Rd., Naimuang, Muang District, Yasothon 35000
Khonkaen	2	(1) 588/31, Moo 5, Muangkae, Muang, Khonkaen 40000 (2) Fairy Shopping Center, Khonkaen
Roi-et	2	(1) 288/21, Moo 7, Niwet, Thawatburi, Roi-et 45170

Province	Qty	Location
Udonthani	1	(1) 333/65, Moo 3, Samphao, Muang, Udonthani 41000
Ubonratchathani	1	(1) 351/1, Moo 10, Jaeramas, Muang Ubonratchathani, Ubonratchathani 34000
Sakhon Nakorn	1	(1) 36/3, Nillayo Rd., That Chenchum, Muang Sakhon Nakorn, Sakhon Nakorn 47000
Buriram	2	(1) 40/7, Thani Rd., Naimuang, Muang, Buriram 31000 (located near Isuzu showroom) (2) Robinson - Buriram
Surin	1	(1) 311/1, Moo 14, Thung Pho Road, Nok Muang, Muang, Surin 32000
Prachuapkirikhan	2	(1) Huahin Market Village Shopping Center (2) 99/5, Maharat Rd., Prachuapkirikhan, Prachuapkirikhan, Prachuapkirikhan 77000
Surat Thani	1	(1) 263/4-5 Chonkasem Rd., Taked, Muang District, Surat Thani 84000
Nakhon Sri Thammarat	2	(1) 99,101, Pattanakarn Khukwang Rd., Nai Muang, Muang Nakhon Sri Thammarat, Nakhon Sri Thammarat 80000 (2) Robinson Ocean - Nakhon Sri Thammarat
Phuket	1	110/1 Wichit Songkram Rd., Talad Nua, Muang District, Phuket 83000
Songkhla	2	(1) 499/5 Phetkasem Rd., Haadyai, Songkhla 90110 (2) Dima Shopping Center, Haadyai
Pattani	1	300/67-68 Nongjok Rd., Rusamilae, Muang District, Pattani 94000
Trang	1	(1) 491, Phatthalung Rd., Tablang, Muang, Trang 82000 (Located opposite Rua Reseda Hotel)
Chumphon	1	2/2, Thaweesin Rd., (PTT station, Thongmae), Thalapao, Muang, Chumphon 86000
Yala (Betong)	1	117, Jabbarochai Rd., Betong, Betong, Yala 95110 (Located next to Taojew Association)
Krabi	2	(1) 464/7, Udonkit Rd., Krabi Yai, Muang, Krabi 81000 (2) 464/5, Uttarakit Rd., Krabi Yai, Muang, Krabi 81000
Ranong	1	2/43, Petchkasem Rd., Moo 1, Bang Rin, Muang, Ranong 86000
Phetchabun	1	52/45 Taepa Pattana Rd., Naimuang, Muang District, Phetchabun 67000
Mukdahan	1	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.

The 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 2019 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:

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 26 trucks at present and we also have product delivery team in each region, totaling 250 trucks.

(b) For wholesalers in Bangkok and its vicinity, the Company's trucks will deliver products within 1-3 days, and for wholesalers in other provinces, the Company will hire transporters to deliver products to customers within 3-5 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 from 2017 – 2019

(Unit : Million Bath)

	2017	2018	2019
Amount of product returned	12.63	17.35	15.13

Dependence on Customer

In 2019, 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 2017 - 2019.

Purchasing Order	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Products	435.74	51.86	955.58	71.12	1,328.64	86.27
Foreign Products	404.46	48.14	388.07	28.88	211.46	13.73
Total Purchasing Amount	840.20	100.00	1,343.65	100.00	1,540.10	100.00

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

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

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

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

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

2. Products that the Company has been appointed as a distributor. The Company has been appointed by the manufacturer or distributor to be a distributor in the 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.

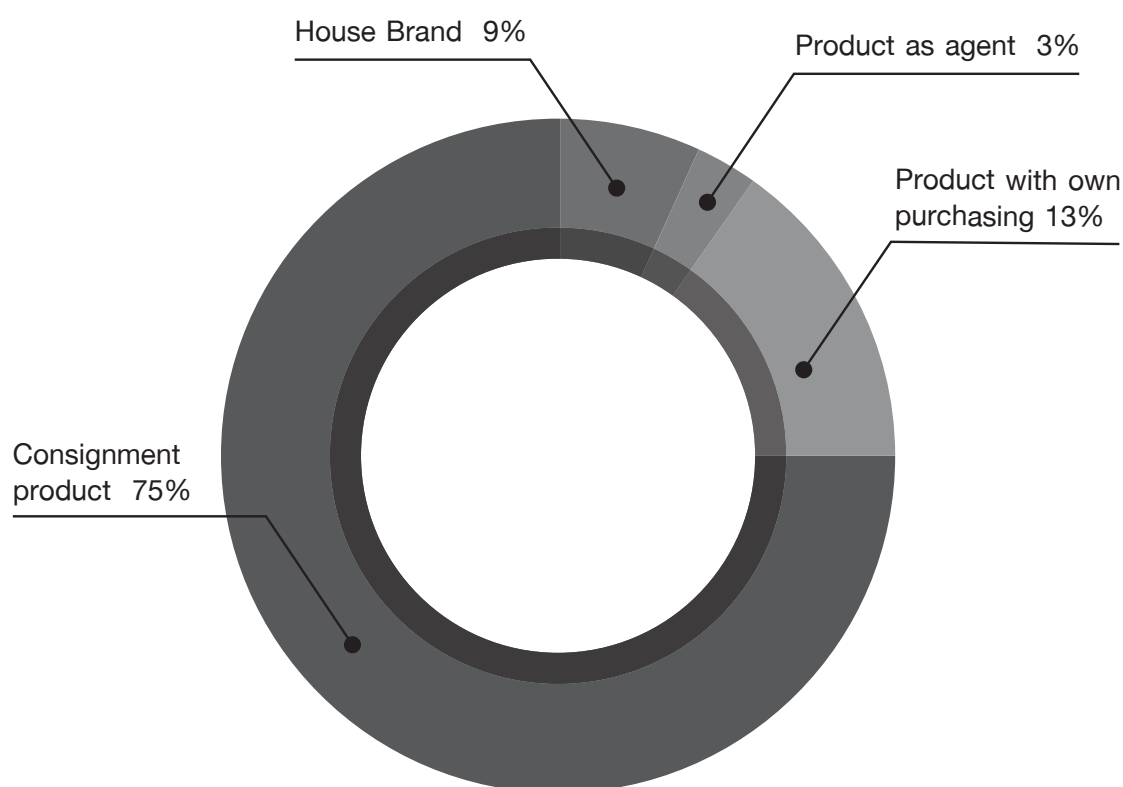
(D) Pest Reject products under the brand, Pest Free: The Company has been appointed by Pest Free Australia Pty Limited to be the Exclusive Distributor in Thailand.

(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. 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 2019, 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 54 TVD Shop retailers which are acting as the joint-distribution center.





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 5.0 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 immediately.
- (3) Introduce managing system for telephone system to cope with large number of incoming calls.
- (4) Arrangement for the battery backup system to be able to operate for 8 hours in case of electrical outage.

3. Copyright infringement on trademark / service mark

The Company distributes its products under the service mark “TV Direct”  ( previous service mark) 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.

And the Company has registered the trademark “TV Direct”  with the Department of Intellectual Property. This service is valid for 10 years from January 18, 2019 to January 17, 2029 and can be renewed 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 20 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. “TVD Shop”, 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 5.0 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, 2019, 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 325,191,464 which consisted of the ordinary share of 650,382,928 shares at par value of 0.50 Baht per share.

Shareholders

List of the first 10 major shareholders as of December 31, 2019 can be summarized as below :

NO	Name	No. of Shares	%
1	TRI-STAGE INC ¹	97,690,000	15.02%
2	Mr. Songpol Shanmatkit	55,676,538	8.56%
3	USE Electronics Co., Ltd. ²	52,246,317	8.03%
4	Mr. Prayuth Ueawattana	36,096,600	5.55%
5	Gratitude Infinitie Public Cmpny Limited	31,589,994	4.86%
6	Mr. Chaiyarn Ueawattana	27,559,500	4.24%
7	Mr. Ekkachai Satthabongkot	27,000,000	4.15%
8	Mr. Boonchou Wirojwattanakul	19,067,7879	2.93%
9	Miss Issara Vitayathanakun	11,810,730	1.82%
10	Mr. Renyong Zhang	10,369,806	1.59%

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 Sanoo	4,272,400	13.99%
Tri-Stage Inc.	3,263,260	10.69%
Yuji Haglwara	263,700	0.86%
Aya Imaizumi	132,800	0.43%
Mitsuo Kobayashi	130,900	0.42%
Employee stock ownership	106,500	0.34%
Yoshihiko Yamada	68,000	0.21%
Isao Otsu	62,400	0.20%

Remark 2 Shareholders of USE Electronics Co., Ltd.

USE ELECTRONICS CO., LTD				
Roster of shareholders				
NO	Name	Address	Number of shares	Stock(NT\$)
1	KATO JUNKO	3F., No. 10, Yitong St., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	2,051,500	20,515,000
2	KATO SACHIKO	3F., No. 10, Yitong St., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	1,531,400	15,314,000
3	ENOSHIMA TAKAKO	RM 1103, 2-62-5 Nihonbashihamacho, Chuo-ku, Tokyo, Japan	422,100	4,221,000
4	TANG FENG RONG	10F., No. 15, Ln. 136, Sec. 3, Zhongshan Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	910,200	9,102,000
5	SU CHING TSUN	5F., No. 11, Aly. 16, Ln. 199, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)	544,100	5,441,000
6	CHOU RONG KUANG	No. 78, Ln. 14, Sec. 7, Zhongshan N. Rd., Shilin Dist., Taipei City 111, Taiwan (R.O.C.)	151,700	1,517,000
7	HSU CHEN MAO	6F., No. 25, Ln. 80, Guangfu N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)	758,600	7,586,000
8	SU BO HAN	Rm. 1, 2F., No. 25, Ln. 101, Sec. 2, Xinsheng N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	244,800	2,448,000
	TOTAL		6,614,400	66,144,000

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	: https://www.tri-stage.jp/en/																																
Established	: March 3, 2006																																
Capital	: 645 million yen																																
Number of Employees	: 363 (consolidated), 165 (nonconsolidated)																																
Corporate Philosophy	: We will contribute to society as a company that strives wholeheartedly to resolve issues in order to properly establish bonds between our clients' products and services and consumers.																																
The Tri-Stage Credo	: The consumer's satisfaction is the client's satisfaction, and ours.																																
Company History	: <table> <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>Adflex communications inc became a consolidated subsidiary</td></tr> <tr> <td>Mar 2019</td><td>Opened the Kyusyu Branch</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	Adflex communications inc became a consolidated subsidiary	Mar 2019	Opened the Kyusyu Branch
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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.



Taipei Head office

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\$57 million (2019)
Number of Employees	: 338 persons (As of Dec 2019)
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

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

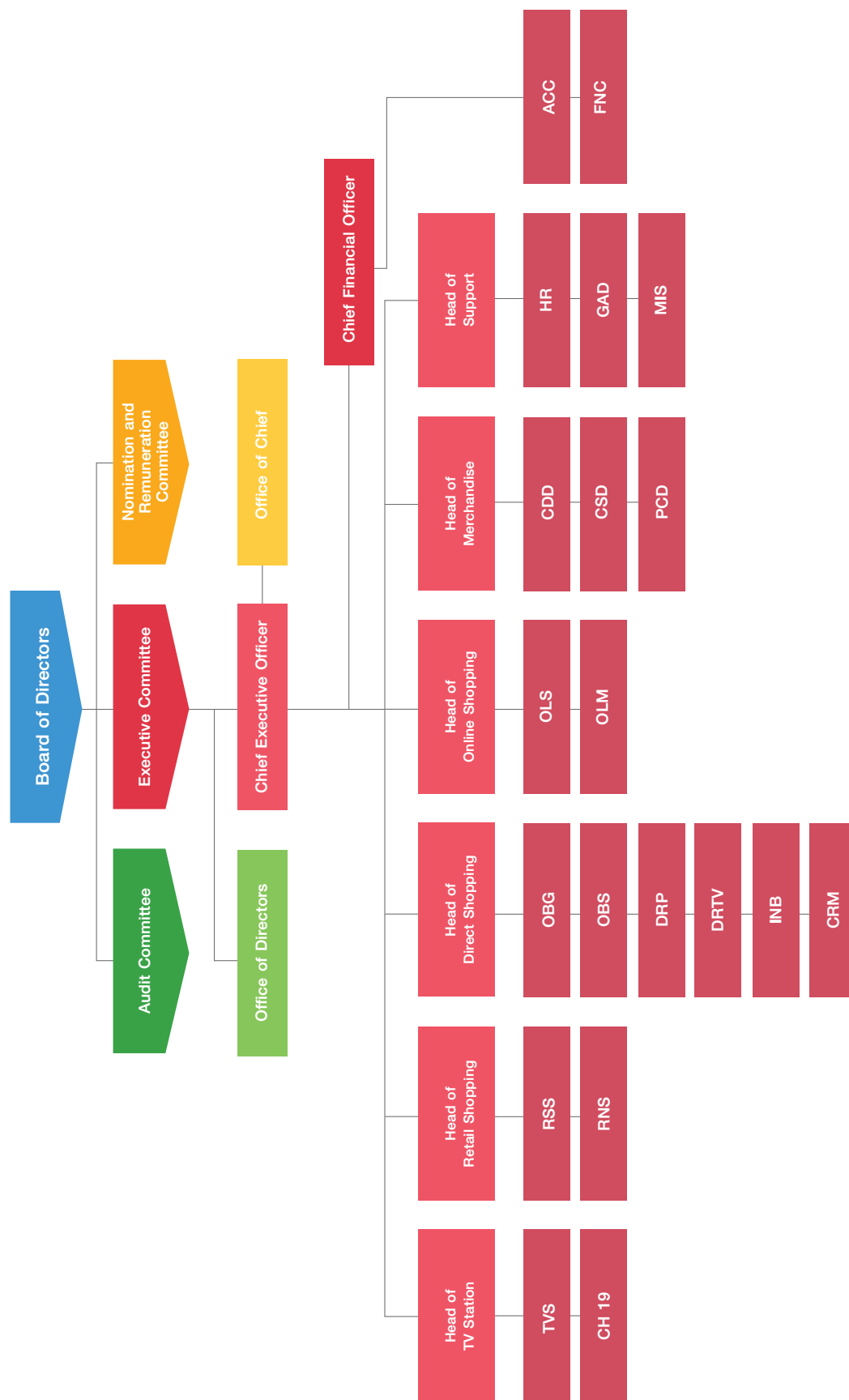
Baht 0.998 per share
1 unit per 1.002 share

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, 2019)



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, 2019, 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 Yongthanasat	Director
8. Asst. Prof. Anucha Chintakanond	Independent Director and Audit Committee
9. Mr. Suthep Subsantiwong	Independent Director and Audit Committee

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.

Mr. Wichian Manapongpun is the Company Secretary.

Educational background /Training course / Working experiences of the Company Secretary

- 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

Scope of duties and responsibilities of the Company Secretary

1. Organize Board of Directors Meeting, Sub-committee Meeting and the Shareholders Meeting to be in accordance with the Articles of Association of the Company.
2. Supervise and coordinate any task as to comply to the related objective and Articles of Association of the Company as well as the resolutions of the Board of Directors / Shareholders' Meeting and Good Corporate Governance principles.
3. Support the Board of Directors to determine the Good Corporate Governance Policy and Business Ethics.
4. Give advice on various regulatory requirements that the Board of Directors and Executives should be informed.
5. Support and proceed to the Board of Directors to have an self evaluation.
6. Prepare and maintain important documents of the Company, such as the registration of directors, Invitation Letter and the Minutes of the Board of Directors and Shareholders, the Annual Report of the Company and Report of conflicts of interest of Directors and Executives.

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.

Remark :

- * 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, 2019, the Company's Audit Committee consists of 3 qualified persons. All of them are independent members including:

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 Subsantwong	Audit Committee Member	2 years

Remark : Director with knowledge in accounting and finance, with experience in reviewing on reliability of financial statement.

Mr. Wichian Manapongpan is the Secretary of the Audit Committee

Scope of duties and responsibilities of the Audit Committee

The 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, 2019, the Company's Executive Committee consists of 4 qualified persons as follows:

Name	Position
1. Mr. Chalempong Mahavanidvong	Chairman of the Executive Committee
2. Mr. Songpol Shanmatkit	Executive Committee Member
3. Mr. Wichian Manapongpun	Executive Committee Member
4. Mr. Wirasack Wirojwattanukul	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. Works as assigned by the Board of Directors : Any other action as assigned by the Board of Directors of each company.

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, 2019, the Nomination and Remuneration Committee consists of 4 qualified persons as below :

Name	Position
1. Mr. Phongsaree Bunnag	Chairman of the Nomination and Remuneration Committee
2. Dr. Pisut Chalakovkul	Nomination and Remuneration Member
3. Mr. Songpol Shanmatkit	Nomination and Remuneration Member
4. Mr. Chalermpong Mahavanidvong	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 2019 was in Excellent level or CG 5 stars, which is the highest level, for 3 consecutive years (2017 - 2019) 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, 2019, the Company has 3 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. Miss Laorsri Maturanont	Head of Merchandise
3. Mr. Wichian Manapongpun	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.

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

- (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 of Directors	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 2019, 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 2019 ⁴	Bonus Fee paid from year 2018 Company performance ¹	Total Remuneration ² (Baht)
	2019	2019	2019	2019
1. Mr. Songpol Shanmatkit	8/8	-	379,254.72	379,254.72
2. Mr. Thanabul Maturanont	8/8	70,000.00	252,836.48	322,836.48
3. Mr. Wirasack Wirojwattanakul	8/8	70,000.00	252,836.48	322,836.48
4. Mr. Chalermpong Mahavanidvong	8/8	70,000.00	228,234.28	298,234.28
5. Mr. Lertpong Yongthanasat	8/8	70,000.00	91,575.51	161,575.51
6. Mr. Tada Charukitpaisarn	8/8	140,000.00	252,836.48	392,836.48
7. Asst.Prof.Anucha Chintakanond	7/8	60,000.00	126,418.24	186,418.24
8. Mr. Suthep Subsantiwong	7/8	60,000.00	126,418.24	186,418.24
9. Mr. Takeshi Tsuji ³	4/8	-	-	-
Total		540,000	1,710,410	2,250,410

Remark : ¹ Bonus Bonus Fee paid in year 2019, is paid from year 2018 Company performance. The first Bonus Fee totaling Baht 2,865,397 paid from Company performance during January – September 2019 and paid on December 12, 2019. The second Bonus Fee Baht 1,710,410 paid on April 29, 2019.

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.

⁴ There was 1 Board of Directors Meeting that the Directors request not to receive the Meeting Allowance.

Remuneration for the Audit Committee

In 2019, 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)
	2019	2019
1. Mr. Tada Charukitpaisarn	8/8	160,000.00
2. Asst.Prof.Anucha Chintakanond	8/8	80,000.00
3. Mr. Suthep Subsantiwong	8/8	80,000.00
Total		320,000.00

Remuneration for the Executive Committee

In 2019, 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)
	2019	2019
1. Mr. Chalermpong Mahavanidvong	13/14	260,000.00
2. Mr. Songpol Shanmatkit	13/14	-
3. Mr. Wichian Manapongpun	14/14	-
4. Mr. Wirasack Wirojwattanakul	14/14	140,000.00
Total		400,000.00

Remuneration for the Nomination and Remuneration Committee

In 2019, 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)
	2019	2019
1. Mr. Phongsuree Bunnag	8/8	160,000
2. Dr. Pisut Chalakornkul	7/8	70,000
3. Mr. Songpol Shanmatkit	6/8	-
4. Mr. Chalermpong Mahavanidvong	5/8	50,000
Total		280,000

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 2019, the Company had paid the remunerations to the Executives as follows:

Remuneration for Executives	2019	
	Number of person	Baht
Salary and Bonus	๓	12,790,777
Other remunerations such as transportation, telephone, contribution fund, Social security	๓	2,514,314
Total	๓	15,305,091

Remark : Remuneration for Executives in above table consists of

1. Mr. Songpol Shanmatkit
2. Miss Laorsri Maturanont
3. 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 2019, the Company has contributed to the Provident Fund for 3 Executives of Baht 550,034.

- 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 2019, the Company had contributed to the social security fund for 3 Executives of Baht 27,000.

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

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, 2019, the Company has 1,052 employees by separating into various departments as follows:

Department	Number of Employee
Accounting (ACC)	24
Brand Management (BMD)	17
Customer Relation Management (CRM)	40
Direct Response Printing (DRP)	10
Direct Response Television (DRTV)	25
Finance (FNC)	10
General Administration (GAD)	19
Human Resource Management (HR)	26
Inbound Call Center (INB)	117
Merchandise Marketing (MMD)	20
Outbound Call Center, General (OBG)	225
Outbound Call Center, Special (OBS)	202
Office of Chief (OC)	9
Office of Directors (OD)	9
Online Shopping (OLS)	28
Procurement (PCD)	17
Retail Non-Store Sale (RNS)	34
Retail Store Sale (RSS)	124
TV Station (TVS)	96
Grand Total	1,052

Employee's Remuneration

Financial remuneration

In 2019, the Company had paid employees' remuneration (excluding Executives) at Baht 292,531,958.72 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 2019, the Company has contributed to the Provident Fund for Employees of Baht 4,152,063.64.

- Social Security Fund

The Company has provided the social security fund for Executives with contribution of 5% of salary but not over Baht 750 per month. In 2019, the Company had contributed to the social security fund for employees (excluding Executive) of Baht 7,307,172.

- 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.

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.

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 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 2019, the average hours of training per employee by employee level. Executive level 22.87 hours / person / year. Operational level 32.68 hours / person / year. Average 29.09 hours / person / year. Female 29.93 hours / year. Male 28.75 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, linvestors, 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 websitebefore 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	: The Company practices under conditions of the contract and financial obligation towards creditors strictly, correctly and fully. • 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	: The Company promotes and develops employees' abilities to achieve the most capabilities by arrangement with fair employment, and with good, healthy, and safe working environment. Policy and procedure on remuneration and benefits of employees will be clearly and fairly stated in accordance with the short and long term performance of the Company. The Company's compensation is in line with the short term Company's performance i.e. salary, bonus and provident fund. 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.
Government Agency	: The Company realizes the important on strictly complying with the law and regulations of related agencies and has representative as Director in the Thai Direct Marketing Association.
Community	: The Company recognizes the important on environment, safety and responsibility toward community by making arrangement to take care of environment and safety with maximum efforts and also campaign on energy saving. Moreover, the Company has arranged activities together with communities in order to compensate and help society such as coordination with the Thai Red Cross Society on blood and stem cells donation under the project "A Drop for Life.....Donation from hundred hearts".
Environment	: 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. 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.

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 2015 – 2019, the Company received the workplace 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.

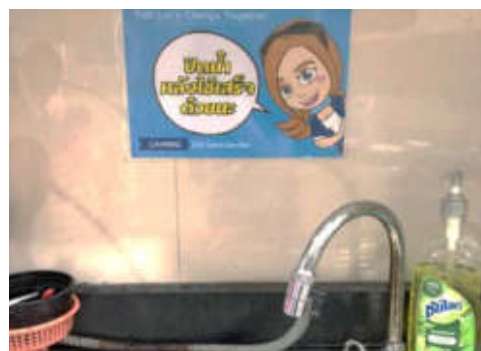
The Company's Board of Directors support the education and training for employees on environmental issues by formulating a policy and having concrete actions through various activities.

Since the past - 2019, the Company has campaigned for environmental conservation for employees and outsiders as follows :-

- Campaign within the organization through the following channels
 1. Email to all employees.
 2. Intranet system within the Company
 3. Public relations boards within the Company
 4. Campaign labeling in bathrooms, refrigerators and in the dining rooms of employees

Campaign topics

- 1) Announcement of the campaign to save electricity usage (Air-conditioners) in the TVD WE CAN SAVE ENERGY project by determining the on-off time and setting the air conditioning temperature to reduce the peak value of electricity usage.
- 2) The project to change the light bulb (T-8) from Fluorescent to LED
- 3) Water saving
- 4) Termination of plastic bags, plastic tubes and foam boxes
- 5) Setting up littering points for hazardous and toxic waste
- 6) Announcement for cooperation, shut down water - turn off lights - turn off air - unplug





External campaigning through the following channels

1. Publication of the TV Direct spot to save the world for environmental conservation campaigns. through the channel TVD1, TVD2, TVD3 and TVD4 of the Company.

Campaign topics

- 1) Using cloth bags instead of plastic bags
- 2) Using of public transport in traveling, such as electric buses instead of private cars
- 3) Planting forests to increase green space

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 21, 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 227 companies from 854 companies participated in this project.



On June 27, 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.

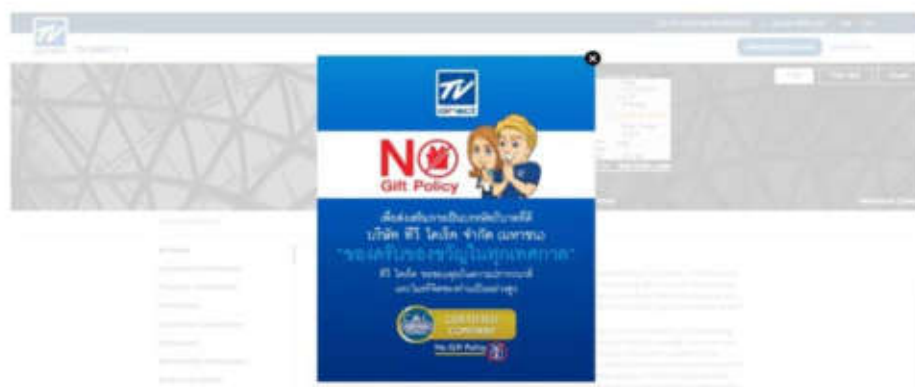


On December 2, 2018, executives and employees of TV Direct Public Company Limited and associated companies participated in GOOD GUY RUN 2018 at Chulalongkorn University Stadium.

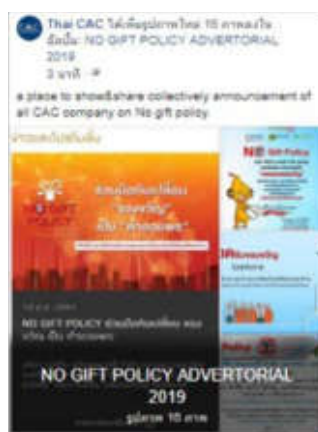


On December 20, 2018, TV Direct Public Company Limited participated in No Gift Policy and showed CAC No Gift Policy symbol on the company's investor relation web page as well as published this declaration via Facebook of Thai CAC.

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



- Published via Facebook of Thai CAC.



On June 18, 2019, the Company invited Mr. Panarat Bananangkun Director of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) and the team to provide information to TV Direct Public Company Limited regarding the persuading of trade partners to announce their intention with CAC according to the Change Agent Award criteria.



On August 20, 2019, the Company invited Mr. Pisanu Promchanya, a public relations consultant from the Private Sector Collective Action Against Corruption (CAC) to give a lecture on corruption problems and membership participation (CAC) under the SME Certification Program for the trade partners of TV Direct Public Company Limited with executives from over 30 companies participating.



On December 2, 2019, the management team and employees of TV Direct Public Company Limited and its affiliates join the GOOD GUY RUN 2019 activity to create lasting goodness at the Office of the National Counter Corruption.



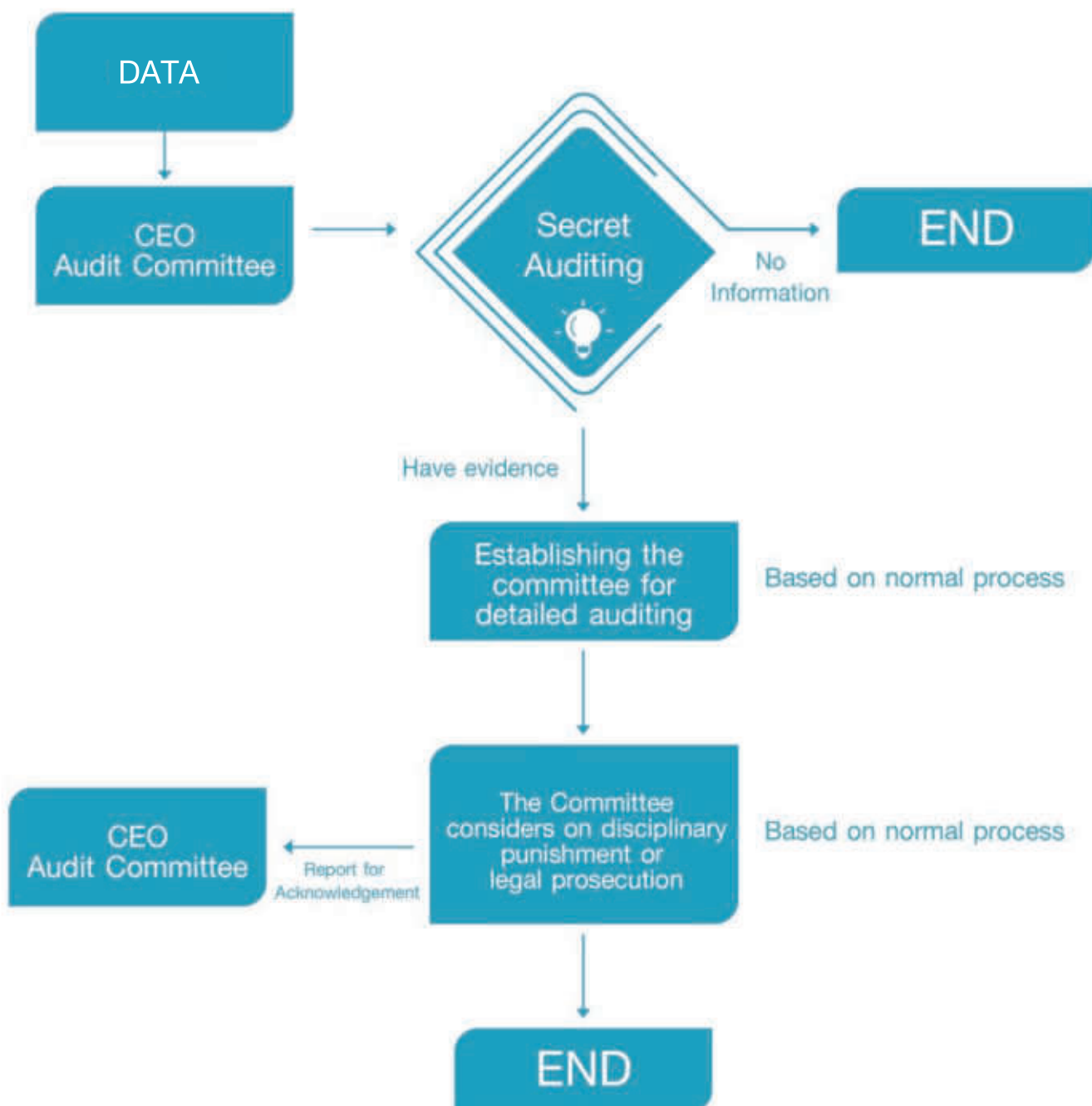
On December 27, 2019, TV Direct Public Company Limited announced the No Gift Policy and the CAC No Gift Policy symbol on the Company's investor relations website, both in Thai and English.

- Public through the investor relations website of the Company



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 2019, 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 non-executive directors will have the meeting in order to discuss the problems related to the Company that they are interested without attendance of Management. In 2019, there were 1 meeting of the non-executive directors.

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 Policy for the position of director at other companies of the Chief Executive Officer

- Director positions in other companies of Chief Executive Officer (Managing Director) in an excessive amount may affect the performance of the Chief Executive Officer. Therefore, the Company has set a policy regarding the position of director at other companies of the Chief Executive Officer as to enable the Company to get the most benefit from the Chief Executive Officer able to devote time for performing duties efficiently as following

1. Able to hold the position of director in the Company and affiliated companies.
2. Able to be a director in other companies that do not have a competitive nature or similar to a business of the Company or the company group.
3. Being director at other companies which have nature of business that are competitive or similar to a business of the Company or the company group, needed to present to the Audit Committee to consider and give opinions before proposing for approval to the Board of Directors respectively, before assuming that position.

5.14 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.

5.15 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.

5.16 Supervision on the use of inside information

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

- Directors, Executives, and employees of the Company must keep secret and / or internal information of the Company by not disclosing or searching for own-benefit, or for benefit of other person either directly or indirectly. This includes buying, selling, transferring, or receiving transfer the Company's share by using secret and / or internal information of the Company and / or entering into legal document by using secret and / or internal information of the Company that may cause any damage to the Company.

- Communicate with Directors and Executives in various department on the duty to report their own shareholding, spouse, children who are minors to the Securities and Exchange Commission Office, and the Stock Exchange of Thailand as in item 59 and imposed by section 275 of the Securities and Exchange Act BE 2535.

- The Company specifies that Directors and Executives have to report their changes in stockholding to the Securities and Exchange Commission Office as in item 59 of the Securities and Exchange Act BE 2535 and copy of the transaction must be sent to the Company on the same day as report to the Securities and Exchange Commission Office.

- The Company will proceed with circulation letter to Executives that the Executives and related person who receive internal information that have resulting impact on the changing of share prices will have to stop the Company's share trading within 1 month before the quarterly financial statements, and the Company's annual financial statements are published to the public, and for 48 hours after important information are being disclosed.

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

5.17 Nurture Innovation and Responsible Business

- Prioritize and promote innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the company.

- Encourage management to adopt responsible operations, and incorporate them into the company's operations plan. This is to ensure that every department and function in the Company adopts the Company's objectives, goals, and strategies, applying high ethical, environmental and social standards, and contributes to the sustainable growth of the Company.

- Ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.

- Establish a framework for governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.

Remuneration of Auditor

Remuneration of auditor of 2019 was paid to the auditor of the company, i.e., Dharmniti Auditing Company Limited, as follows:

- Audit Services: 1,470,000 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 2019, 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 2019, 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. 2/2020, on February 26, 2020, 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	Business Administration, 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
- Special Seminar Anti-Corruption: Synergy to Success of the Institute of Internal Auditors of Thailand
- IT Audit for Non-IT Auditor Program from the National Science and Technology Development Agency

Head of Compliance Unit

Quantum Point Consulting Co., Ltd.

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 39 of the financial statements for the year ending December 31, 2019. 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.

Nature of Transaction	Company / Relationship	Total Shareholding Direct / Indirect	Company Financial Statements in 2019 Value (Baht)	Policy on price
a) Revenues from selling of products and services and others for year ending December 31, 2019				
Revenue from sales of products	Subsidiaries		2,411,780	
	TVD Shopping Co., Ltd.	65	2,070,134	Market price
	TVD Broker Co., Ltd.	99.99	222,242	Market price
	TVD Services Co., Ltd.	99.99	119,404	Market price
Revenue from services	Subsidiaries		41,805,289	
	TVD Shopping Co., Ltd.	65	8,750,364	Mutually agreed price
	Last Mile Direct Co., Ltd.	99.99	15,459,148	Mutually agreed price
	Magik Pivot Co., Ltd.	60	3,656,279	Mutually agreed price
	TVD M Co., Ltd.	60	2,539,610	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	11,399,889	Mutually agreed price
Revenue from dividend	Subsidiaries		34,124,967	
	TVD Shopping Co., Ltd.	65	29,639,998	
	TVD Services Co., Ltd.	99.99	2,999,985	
	Magik Pivot Co., Ltd.	60	1,484,984	
Interest recieved	Subsidiaries		42,904	
	Last Mile Direct Co., Ltd.	99.99	42,904	Contract price
	Associated company		286,989	
	3-RD Co., Ltd.	25	271,886	Contract price
	Global One Corporation Co., Ltd.	35	15,103	Contract price

b) Purchasing of products and services and others for the year ending December 31, 2019				
Cost of goods				
	Subsidiaries		5,770	
	TVD Shopping Co., Ltd.	65	5,770	Market price
Buying media time for TV broadcasting				
	Subsidiaries		42,660,280	
	TVD Services Co., Ltd.	99.99	42,660,280	Mutually agreed price
Delivery expense				
	Subsidiaries		262,007,526	
	Last Mile Direct Co., Ltd.	99.99	262,007,526	Mutually agreed price
Rental and warehouse management expense				
	Subsidiaries		69,516,159	
	Last Mile Direct Co., Ltd.	99.99	69,516,159	Mutually agreed price
Marketing expense				
	Subsidiaries		12,171,209	
	TVD Broker Co., Ltd.	99.99	545,608	Mutually agreed price
	TVD M Co., Ltd.	60	11,625,601	Mutually agreed price
Other expennses				
	Subsidiaries		18,395,392	
	Magik Pivot Co., Ltd.	60	18,395,392	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, 2019				
Account receivables				
	Subsidiaries		6,724,897	
	TVD Shopping Co., Ltd.	65	866,553	Mutually agreed price
	Last Mile Direct Co., Ltd.	99.99	1,940,520	Mutually agreed price
	Magik Pivot Co., Ltd.	60	314,817	Mutually agreed price
	TVD Services Co., Ltd.	99.99	24,049	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	3,578,959	Mutually agreed price
Accrued income				
	Subsidiaries		3,657,689	
	TVD M Co., Ltd.	60	2,539,610	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	1,118,079	Mutually agreed price
Accrued interest receivables				
	Associated company		33,801	
	Global One Corporation Co., Ltd.	35	18,699	Contract price
	3-RD Co., Ltd.	25	15,103	Contract price
Advances				
	Subsidiaries		326,893	
	Last Mile Direct Co., Ltd.	99.99	326,893	Mutually agreed price
Prepaid expenses				
	Subsidiaries		1,408,200	
	TVD Services Co., Ltd.	99.99	1,030,200	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		8,221,198	
	TVD Shopping Co., Ltd.	65	1,607	Mutually agreed price
	Last Mile Direct Co., Ltd.	99.99	5,904,733	Mutually agreed price
	TVD Services Co., Ltd.	99.99	2,314,859	Mutually agreed price

Other account payables	Subsidiaries		3,215,520	
	Last Mile Direct Co., Ltd.	99.99	15,451	Mutually agreed price
	TVD Broker Co., Ltd.	99.99	186,788	Mutually agreed price
	Magik Pivot Co., Ltd.	60	3,013,281	Mutually agreed price
Warehouse management and delivery fee payable				
	Subsidiaries		9,839,456	
	Last Mile Direct Co., Ltd.	99.99	9,839,456	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.



15

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%.

On September 23, 2019, TVD M Co., Ltd. was established to distribute products through Satellite TV media including advertising media management. The Company holds its shares in the proportion of 60%

On October 29, 2019, Global One Corporation Co., Ltd. was established to operate direct sale and direct marketing business. The Company holds its shares in the proportion of 35%

On November 14, 2019, Merx915 Co., Ltd. was established to operate online distribution business The Company holds its shares in the proportion of 51%

(a) Revenue

The Company and its subsidiaries had total revenues of Baht 3,993.24 Million in 2018 and Baht 4,280.55 Million in 2019, 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 2018 – 2019, 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	2018			2019		
	M. Baht	%	Growth rate (%)	M. Baht	%	Growth rate (%)
Television Marketing	2,536.10	63.71	27.11	2,703.95	65.11	6.62
Direct Marketing						
- Outbound Call Center	387.73	9.74	11.39	388.72	9.36	0.26
- Direct Response Printing	70.00	1.76	(23.92)	47.64	1.15	(32.03)
- Websites	246.58	6.19	89.71	222.50	5.36	(9.77)
- Service Call Center	64.93	1.63	21.32	87.42	2.10	34.64
Total Direct Marketing	769.32	19.33	23.35	746.28	17.87	(3.00)
Conventional Marketing						
- Retailing	246.19	6.18	(0.81)	199.97	4.81	(18.87)
- Wholesaling	37.98	0.95	8.31	26.29	0.63	(30.78)
Total Conventional Marketing	284.18	7.14	0.32	226.02	5.44	(20.46)
Services*	368.12	9.25	(6.30)	460.62	11.09	25.13
Others**	23.01	0.58	46.21	16.32	0.39	(29.07)
Total revenue from sales and services	3,980.73	100.00	20.24	4,153.19	100.00	4.33

* 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 2019, the Company and its subsidiaries had revenue from sales and services of Baht 4,153.19 Million, an increase from Baht 3,980.73 Million in 2018, representing 4.33%, 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 in TV HOME SHOPPING formats.

Other Revenues

In 2019, the Company and its subsidiaries had other revenue of Baht 127.36 Million and interest received of Baht 1.66 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 2018 – 2019, the Company and subsidiaries had total expenses amounted to Baht 3,907.35 Million and Baht 4,243.23 Million respectively with the following details:

Cost of Sales and Services and Gross Margin

During 2018 – 2019, the Company and subsidiaries had cost of sales and services amounted to Baht 2,369.38 Million, and 2,517.28 Baht Million in which ratio of cost of sales and services against revenue from sales and services was at 59.52 % and 60.61 % respectively, or at the gross profit ratio of 40.48 and 39.39 %. In 2019, 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 1.09% and the Company has no inventory burden. 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 department in order to follow up on the product movements. The supply chain management department had its duties to prepare the weekly product movements report and cooperated with various units related to inventory 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 Pioneer Logistics Co.,Ltd. for renting warehouse and manage the inventory. The Pioneer Logistics Co.,Ltd. would provide 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 1,530.96 Million in 2018, and amounted to Baht 1,712.99 Million in 2019 which was at the ratio of total revenue from sales at 38.46% and 41.25% 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 2019, the Company and subsidiaries' selling and administrative expenses ratio increased 2.79%, which was mainly derived from increasing advertising media in movie media to increase sales 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 2018- 2019, the Company and subsidiaries had finance cost of Baht 6.84 Million and Baht 3.51 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 2018 - 2019 the Company and subsidiaries had net profit (loss) amounted to Baht 57.57 Million and Baht 13.38 million respectively. The decreased net profit was due to higher cost of sale from increased market competition.

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

In 2019, 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 34.12 Million.

Return on Equity

The Company's return on equity was at 9.49% in 2018, and 2.18% in 2019. In 2019, the Company did not pay 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 2018 - 2019, the Company and subsidiaries had total assets of amount Baht 1,453.73 Million and Baht 1,449.49 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 2019, ratio of the important assets and total assets was at 14.26%, 26.95%, 11.69% and 13.31% 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 182.45 Million at the end of 2018 and amounted to Baht 169.40 Million at the end of 2019, 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, 2018		At Dec. 31, 2019	
	M. Baht	%	M. Baht	%
Not Overdue	79.00	47.85	49.25	41.59
Overdue:			-	-
1-30 days	35.69	21.62	26.41	22.30
31-60 days	3.77	2.28	7.80	6.59
61-90 days	1.63	0.99	2.48	2.09
91-180 days	4.08	2.47	5.69	4.80
181-365 days	3.61	2.18	3.45	2.91
More than 365 days	37.31	22.60	23.34	19.71
Account receivables before allowance for doubtful accounts	165.08	100.00	118.41	100.00
Less: Allowance for doubtful accounts	(27.30)		(16.45)	
Less: Allowance for revaluation				
Net Account Receivables	137.78		101.96	

Account receivables in 2019 decreased from figure in 2018. 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 2018 – 2019 had the proportional ratio of 47.85% and 41.59 % 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 2018 - 2019, the Company had set the allowance for doubtful accounts at Baht 27.30 Million and at Baht 16.45 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 2018- 2019, the Company and subsidiaries had inventory before allowance for obsolete products and allowance for inventory value amounted to Baht 326.36 Million and Baht 218.78 Million respectively as most of the remaining inventory was finished products and product during transportation which had proportional ratio against the total inventory at 94.56% and 93.22 % respectively with the following details.

	At Dec. 31, 2018		At Dec. 31, 2019	
	M. Baht	%	M. Baht	%
Finished products	308.60	94.56	203.95	93.22
Products during transportation	14.86	4.55	9.11	4.16
Consumable materials	2.91	0.89	5.71	2.61
Total	326.36	100.00	218.78	100.00
Less: Allowance for obsolete and slow moving finished products	(11.79)		(12.05)	
Less: Allowance products with cost higher than net received – finished products	(0.16)		(0.06)	
Inventory - net	314.41		206.67	

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 2018 – 2019, the Company had made allowance for inventory value amounted to Baht 11.79 Million and Baht 12.05 Million, while ratio of the inventory value against total inventory was at 3.75% and 5.50% 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 2018-2019, the Company and subsidiaries had net other current assets amounted to Baht 38.19 Million and Baht 67.30 Million respectively with the following details

	At Dec. 31, 2018		At Dec. 31, 2019	
	M. Baht	%	M. Baht	%
Other Receivables	16.89	36.23	32.65	45.05
Prepaid Expenses	17.34	37.20	14.64	20.19
Accrued income	11.67	20.03	20.71	28.57
Advances	0.55	1.17	4.37	6.03
Receivables from exchanged of products and services	0.17	0.37	0.11	0.16
Total	46.62	100.00	72.48	100.00
Less: Allowance for doubtful debts	(8.43)		(5.18)	
Other Current Assets - Net	38.19		67.30	

Land, Building and Equipment

The Company and subsidiaries had lands, buildings and equipment at net amount of Baht 393.44 Million and Baht 390.64 Million at the end of 2018 - 2019 respectively which had ratio against total assets at 27.06% and 26.90 % respectively.

(b) Liquidity

Cash Flow

In 2018, the Company and subsidiaries had net cash flow for operating activities of Baht 180.25 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 2019, the Company and subsidiaries had net cash flow for operating activities of Baht 298.72 Million from increasing payment collection and product purchase with longer credit term.

Liquidity Ratio

At the end of 2018 - 2019, the Company and subsidiaries had liquidity ratio of 1.23 times and 1.06 times respectively, and quick liquidity ratio was equal to 0.76 times and 0.75 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 38.09% and 29.46% 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 7 days in 2018, and 12 days in 2019. Decreasing duration of cash cycle was from the following:

- (1) The average debt collection equalled to 14 days in 2018 and equalled to 13 days in 2019.
- (2) The average sale duration in 2018 was 49 days, and equalled to 37 days in 2019.

	2018	2019
Liquidity ratio (time)	1.23	1.06
Quick Liquidity Ratio (time)	0.76	0.75
Average Collection Period (day)	14.16	13.48
Average Product Sale Duration (day)	49.29	37.82
Average Debt Payment Period (day)	56.05	62.63
Cash Cycle (day)	7.40	12.37

(C) Sources of Funds

Liabilities

At the end of 2018 - 2019, the Company and subsidiaries total liabilities amounted to Baht 702.76 Million and 702.48 Baht Million respectively. Consideration on the liabilities structure of the Company and subsidiaries showed that most liabilities were the current liabilities for normal business operations of the Company and subsidiaries. Important current liabilities consisted of short term loans from financial institutions at 23.58 % of total liabilities at the end of 2018, and at 7.30% of total liabilities at the end of 2019 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 65.71% of total liabilities at the end of 2018, and at 80.10% of total liabilities at the end of 2019.

Hence, total liabilities of the Company and subsidiaries increased 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, 2018, and at December 31, 2019, the Company had DSCR ratio and debt to equity ratio as follows:

	DSCR*		Debt to Equity Ratio **	
	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019
Financial Statement of the Company	7.00 times	13.34 times	0.65 times	0.68 times
Consolidated Financial Statement	6.05 times	17.49 times	1.13 times	1.16 times
Term of Loan	Not less than 1.5 times	Not less than 1.5 times	Not over than 2 times	Not over 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 2019, the Company and subsidiaries showed the shareholders' equity at Baht 608.72 Million, a decreased amount of Baht 10.79 Million from 2018.

Adequacy of the Capital structure

As at the end of 2018 and 2019, the Company and subsidiaries had debt to equity ratio at 1.13 times and 1.16 times respectively which was in a relatively low ratio. The capital was adequate 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 81.8% service capability for the phone-in customer and was able to return all calls within the same day



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Board of Directors' Report

Board of Directors' Report

Dear Shareholders,
TV Direct Public Company Limited

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

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

The Board of Director has considered the consolidated financial statements of 2019 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.



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

Mr. Tada Charukitpaisarn
Chairman of the Board

A handwritten signature in black ink, featuring a large, stylized 'S'.

Mr. Songpol Shanmatkit
Chief Executive Officer

Audit Committee Report

Dear Shareholders
TV Direct Public Company Limited

For the fiscal year 2019, 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 2019 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 2020.

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 2020 which will be submitted for resolution in the next shareholders meeting.

In 2019, the Audit Committee had 8 meetings with details of attendance on members of the Audit Committee are as follows:

Name	Number of Meeting / Total Meeting
	2019
1. Mr. Tada Charukitpaisarn	8/8
2. Asst. Prof. Anucha Chintakanond	8/8
3. Mr. Suthep Suebsantiwongse	8/8

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



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

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

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

Mr. Tada Charukitpaisarn
Chairman of the Audit Committee



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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, 2019, 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, 2019, 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, 2019, 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, 2019, 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.

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.

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.

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, 2020

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		ASSETS			
		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Current assets					
Cash and cash equivalents	7	192,989,688	220,164,485	68,439,556	142,281,144
Available-for-sale investments	8	103,056,647	101,613,187	-	-
Trade and other accounts receivable	9	169,405,963	182,454,336	122,170,221	141,133,694
Short-term loan to a subsidiary	39 d)	-	-	-	5,800,000
Short-term loan to associate	39 e)	14,677,862	4,750,000	12,227,862	4,750,000
Inventories	10	206,668,860	314,405,018	176,439,423	280,683,947
Deposits for goods purchases		14,565,582	1,735,933	10,454,452	1,735,933
Other current assets		62,462	407,469	98,986	397,539
Total current assets		701,427,064	825,530,428	389,830,500	576,782,257
Non-current assets					
Re	12	44,230,000	44,230,000	40,530,000	40,530,000
Income tax refundable	13	49,027,665	40,040,416	3,014,182	6,375,152
Investment in associate	14	4,859,992	9,828,269	13,849,900	10,000,000
Investments in subsidiaries	15	-	-	405,029,505	361,978,778
Investment hold to maturity	16	6,000,000	-	-	-
Investment properties	17	-	-	1,114,803	3,222,086
Property, plant and equipment	18	390,647,972	393,444,254	244,401,403	224,643,134
Intangible assets	19	176,355,344	65,942,548	148,484,175	42,304,234
Deferred tax assets	20	38,194,714	39,273,633	17,956,470	14,445,970
Other non-current assets	21	38,753,085	35,443,288	33,178,806	31,650,060
Total non-current assets		748,068,772	628,202,408	907,559,249	735,149,414
Total assets		1,449,495,836	1,453,732,836	1,297,389,749	1,311,931,671

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Current liabilities					
Bank overdrafts and short-term loan from financial institutions	22	52,176,915	165,728,825	52,176,915	155,718,585
Trade and other accounts payable	23	566,333,417	461,824,321	408,168,894	303,713,618
Short-term loan from a subsidiary	39 f)	-	-	15,000,000	15,000,000
Current portions of					
- Long-term loan from financial institutions	24	7,267,258	6,940,906	7,267,258	6,940,906
- Liabilities under financial lease and hire-purchase agreement	25	1,089,200	251,149	564,438	-
Accrued corporate income tax		2,450,836	-	-	-
Provision for repayment to insurance companies		12,987,297	14,889,659	-	-
Value added tax	11	8,422,873	10,756,928	3,809,583	5,735,848
Other current liabilities	26	8,899,519	8,160,960	6,486,540	6,082,656
Total current liabilities		659,627,315	668,552,748	493,473,633	493,191,613
Non-current liabilities					
Long-term loan from financial institutions	24	1,839,743	9,096,347	1,839,743	9,096,347
Liabilities under financial lease and hire-purchase agreement	25	960,162	-	960,162	-
Employee benefit obligations	27	38,286,015	20,504,295	27,198,387	15,003,767
Other non-current liabilities		5,772,587	4,612,943	10,000	10,000
Total non-current liabilities		46,858,507	34,213,585	30,008,292	24,110,114
Total liabilities		706,485,822	702,766,333	523,481,925	517,301,727

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' Equity					
Share capital	29				
Authorised share capital					
812,866,688 ordinary shares of Baht 0.50 each		406,433,344	406,433,344	406,433,344	406,433,344
Issued and fully paid-up share capital					
650,382,928 ordinary shares of Baht 0.50 each		325,191,464		325,191,464	
650,315,265 ordinary shares of Baht 0.50 each			325,157,633		325,157,633
Share premium account on issue of share	29	393,040,731	393,007,034	393,040,731	393,007,034
Retained earnings (deficits)					
Appropriated - Legal reserve	30	3,271,036	1,896,054	3,271,036	1,896,054
Unappropriated		(162,655,027)	(149,420,509)	5,564,910	27,729,540
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		2,051,153	1,054,216	-	-
Surplus on change in investment proportion in subsidiaries, net		978,802	978,802	-	-
Total attributable to the parent company's shareholders		608,717,842	619,512,913	773,907,824	794,629,944
Non-controlling interests	31	134,292,172	131,453,590	-	-
Total shareholders' equity		743,010,014	750,966,503	773,907,824	794,629,944
Total liabilities and shareholders' equity		1,449,495,836	1,453,732,836	1,297,389,749	1,311,931,671

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, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
	Revenues from sales and services	4,153,188,311	3,980,733,253	2,894,468,581	2,880,887,626
	Cost of goods sold and services	(2,517,284,973)	(2,369,377,079)	(1,783,348,054)	(1,689,514,891)
	Gross profit	1,635,903,338	1,611,356,174	1,111,120,527	1,191,372,735
	Other income	33 127,361,231	12,510,609	192,173,699	59,181,893
	Profit before expenses	1,763,264,569	1,623,866,783	1,303,294,226	1,250,554,628
	Selling expenses	(1,389,190,459)	(1,207,385,362)	(1,099,885,159)	(968,853,947)
	Administrative expenses	(323,806,269)	(323,578,667)	(197,596,645)	(198,251,320)
	Other expenses	(448,973)	(3,747)	(407,077)	(3,747)
	Other gain (loss)	(754,996)	2,162,585	(755,144)	2,152,159
	Finance costs	35 (3,515,772)	(6,841,515)	(3,583,682)	(7,022,672)
	Share of profit (loss) of associate	(8,989,908)	(171,731)	-	-
	Profit (loss) before income tax	36 36,558,192	88,048,346	1,066,519	78,575,101
	Income tax income (expense)	(7,761,836)	(20,250,735)	2,212,832	(16,433,749)
	Profit (loss) for the period	28,796,356	67,797,611	3,279,351	62,141,352
	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	27 (5,984,565)	-	(4,558,305)	-
	Items that will be reclassified subsequently to profit or loss				
	- profit (loss) on measurement of available-for-sale investments	1,443,460	837,577	-	-
	- changes in deferred tax liabilities			-	-
	loss on measurement of available-for-sale investments	(268,541)	(167,515)	-	-
	Total other comprehensive income - net of tax	(4,809,646)	670,062	(4,558,305)	-
	Total comprehensive income (loss) for the year	23,986,710	68,467,673	(1,278,954)	62,141,352
	Profit (loss) attributable to:				
	Shareholders of the parent company	13,379,215	57,565,696	3,279,351	62,141,352
	Non-controlling interests	15,417,141	10,231,915	-	-
		28,796,356	67,797,611	3,279,351	62,141,352
	Total other comprehensive income (loss) attributable to:				
	Shareholders of the parent company	1,648,095	58,219,711	(1,278,954)	62,141,352
	Non-controlling interests	13,338,615	10,247,962	-	-
		23,986,710	68,467,673	(1,278,954)	62,141,352
	Earnings (loss) per share for profit attributable to the shareholders of the parent company	37			
	Basic earnings (loss) per share (Baht)	0.02057	0.08852	0.00504	0.09556
	Diluted earnings (loss) per share (Baht)	0.01937	0.08359	0.00475	0.09023

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

		Babit									
		Consolidated financial statements									
		Attributable to owners of the parent company									
Note		Authorised, issued and fully paid-up share capital	Share premium	Deficits			Other components of equity				Total
				Appropriated - legal reserve	Unappropriated	Surplus from land revaluation (net)	Gain on measurement of available-for-sale investments (net)	Surplus on change in investment proportion in subsidiaries	Total shareholders' equity of the parent company	Non- controlling interests	
	Beginning balance as at January 1, 2018	325,146,675	422,995,715	3,802,569	(206,376,601)	46,839,683	400,201	978,802	593,787,044	13,180,630	724,967,674
	Changes in shareholder's equity for the year 2018										
	Transfer of share premium and legal reserve to offset the deficits	-	(29,999,639)	(3,802,569)	33,802,208	-	-	-	-	-	-
	Increase share capital	10,958	10,958	-	-	-	-	-	21,916	-	21,916
	Dividends payment	-	-	1,896,054	(34,411,812)	-	-	-	(32,515,758)	(9,975,002)	(42,490,760)
	Total comprehensive income (loss) for the year	-	-	-	57,565,696	-	654,015	-	58,219,711	10,247,982	68,467,693
	Closing balance as at December 31, 2019	325,157,633	393,007,034	1,896,054	(149,420,509)	46,839,683	1,054,216	978,802	619,512,913	13,181,590	730,966,503
	Changes in shareholder's equity for the year 2019										
	Increase share capital	33,831	33,697	-	-	-	-	-	67,528	-	67,528
	Set up new subsidiaries	-	-	-	-	-	-	-	-	4,450,000	4,450,000
	Legal reserve	-	-	163,968	(163,968)	-	-	-	-	-	-
	Dividends payment	-	-	1,211,014	(20,721,708)	-	-	-	(19,510,694)	(16,950,033)	(36,460,727)
	Actual gain (loss) on defined employee benefit plans	-	-	-	(6,728,087)	-	-	-	(5,728,087)	(256,508)	(5,984,595)
	Total comprehensive income (loss) for the year	-	-	-	15,379,215	-	996,987	-	14,376,152	15,595,123	29,971,275
	Closing balance as at December 31, 2019	325,191,464	393,040,731	3,277,036	(162,655,027)	46,839,683	2,051,203	978,802	608,713,942	13,679,712	733,010,014

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, 2019

	Note	Baht					
		Separate financial statements					
		Authorised, issued and fully paid-up share capital	Share premium	Retained earnings (Deficits)		Other components of equity	
				Appropriated - legal reserve	Unappropriated	Other comprehensive income	Total
						Surplus from land revaluation (net)	
Beginning balance as at January 1, 2018		325,146,675	422,995,715	3,802,569	(33,802,208)	46,839,683	764,982,434
Changes in shareholders' equity for the year 2018							
Transfer of share premium and legal reserve to offset the deficits	29	-	(29,999,639)	(3,802,569)	33,802,208	-	-
Increase share capital	29	10,958	10,958	-	-	-	21,916
Dividend payment	30	-	-	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	46,839,683	794,629,944
Changes in shareholders' equity for the year 2019							
Increase share capital	29	33,831	33,697	-	-	-	67,528
Legal reserve		-	-	163,968	(163,968)	-	-
Dividend payment	30	-	-	1,211,014	(20,721,708)	-	(19,510,694)
Actual gain (loss) on defined employee benefit plans	27	-	-	-	(4,558,305)	-	(4,558,305)
Total comprehensive income (loss) for the year		-	-	-	3,279,351	-	3,279,351
Closing balance as at December 31, 2019		325,191,464	393,040,731	3,271,036	5,504,910	46,839,683	773,907,824

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, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities :				
Profit (loss) before income tax	36,558,192	88,048,346	1,066,519	78,575,101
Adjustments:				
Depreciation - investment properties	-	-	2,107,278	2,100,436
- property, plant and equipment	59,953,006	62,837,821	25,546,567	33,009,643
Amortisation charge	114,313,439	17,661,712	108,126,559	12,463,476
Write off doubtful debt	20,159,275	29,251,042	20,159,275	29,251,042
Allowance for doubtful accounts (reversal)	(9,311,704)	(19,181,567)	(14,168,350)	(24,359,211)
Loss from physical count of inventory	123,669	1,325,915	123,669	1,325,915
Allowance for obsolete and slow moving inventories (reversal)	251,830	341,226	251,830	341,226
Allowance for inventory cost in excess of net realisable value (reversal)	(96,724)	(66,445)	(96,724)	(66,445)
Provision for goods returned (reversal)	(141,696)	163,695	(246,622)	121,261
Gain from disposal of held-to-maturity investments	-	-	-	-
Gain from disposal of available-for-sale investments	-	(273,085)	-	-
Net loss from disposals of property, plant and equipment	407,077	188	407,077	188
Employee benefit obligations	12,170,991	7,030,411	8,533,862	4,318,073
Interest income	(1,657,068)	(1,960,238)	(1,101,011)	(1,730,571)
Dividend income	-	-	(34,124,967)	(22,524,979)
(Gain) loss from exchange rate of borrowings from financial institutions				
- realized	755,143	(2,152,159)	755,143	(2,152,159)
- unrealized	-	-	-	-
Finance costs				
- interest from borrowings	3,420,818	6,794,745	3,576,026	7,022,672
- interest from liabilities under financial lease agreements	94,954	46,770	7,656	-
Share of profit (loss) of associate	8,989,908	171,731	-	-
Gain (loss) from operating before the change in working capital	245,991,110	190,040,108	120,923,787	117,695,668

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changes in working capital				
- trade and other accounts receivable	2,200,802	(57,326,523)	12,972,548	(38,390,199)
- inventories	107,457,383	10,773,650	103,965,749	39,993,841
- deposits for goods purchases	(12,829,649)	1,671,818	(8,718,519)	1,671,818
- value added tax	(2,334,055)	(894,410)	(1,926,260)	540,785
- other current assets	345,007	(316,400)	298,553	(306,470)
- other non-current assets	(3,481,528)	4,851,814	(1,528,746)	2,637,625
- trade and other accounts payable	(26,578,454)	38,253,558	(25,919,152)	70,217,350
- provision for repayment to insurance companies	(1,902,362)	(965,758)	-	-
- other current liabilities	880,255	1,962,416	(714,762)	1,957,486
- employee benefit obligations - paid	(1,869,977)	(3,621,564)	(1,384,977)	(3,139,365)
- employee benefit obligations transferred from subsidiaries	-	-	-	2,646,257
- other non-current liabilities	1,159,644	1,439,419	-	-
Cash receipts (payments) from operating activities				
before interest income received and income tax paid	309,038,176	185,868,128	197,968,221	195,524,796
Interest income received	1,657,068	1,960,238	1,101,011	1,730,571
Income tax paid	(16,680,456)	(18,943,721)	(1,667,920)	(1,346,261)
Income tax received	4,712,706	11,375,152	4,870,798	-
Net cash receipts (payments) from operating activities	298,727,494	180,259,797	202,272,110	195,909,106
Cash flows from operating activities :				
Available-for-sale investments - payments	-	-	-	-
- proceeds	-	40,000,000	-	-
Restricted deposits at financial institution - payments	-	(150,000)	-	-
Loan to a subsidiary - payments	-	-	-	(1,000,000)
- proceeds	-	-	5,800,000	-
Loan to associate - payments	(9,927,862)	-	(7,477,862)	-
- proceeds	-	9,750,000	-	9,750,000
Other investment - payments	(6,000,000)	-	-	-
Cash paid for purchase of investments in subsidiary	-	-	(43,050,727)	-
Cash paid for purchase of investment in associate	(3,874,269)	-	(3,849,900)	-
Cash paid for purchase of - investment properties	-	-	-	(180,237)
- property, plant and equipment	(55,590,681)	(42,020,365)	(44,191,519)	(21,243,195)
- intangible assets	(93,638,685)	(20,511,442)	(83,218,950)	(19,551,442)
Cash received from sale-equipment	76,631	-	4,206	-
Cash received from sale - intangible assets	-	-	-	-
Cash received from dividend income	-	-	34,124,967	22,524,979
Net cash receipts (payments) from investing activities	(168,954,866)	(12,931,807)	(141,859,785)	(9,699,895)

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from financing activities :				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(114,307,053)	(91,366,623)	(104,296,813)	(101,376,863)
Long-term loans from financial institutions - received	-	-	-	-
Long-term loans from financial institutions - repayments	(6,930,252)	(20,286,503)	(6,930,252)	(20,286,503)
Finance costs paid - interest expense	(3,420,818)	(6,794,745)	(3,576,026)	(7,022,672)
Cash payments for liabilities under financial lease agreements				
- principal	(251,149)	(145,589)	-	-
- interest expense	(94,954)	(46,770)	(7,656)	-
Cash received from paid-up share capital	67,528	21,916	67,528	21,916
Cash paid for dividend payment	(19,510,694)	(32,515,758)	(19,510,694)	(32,515,758)
Cash paid for dividend payment to non-controlling interests	(16,950,033)	(9,975,002)	-	-
Cash received from non-controlling interests to set up new subsidiaries	4,450,000	-	-	-
Net cash receipts (payments) from financing activities	(156,947,425)	(161,109,074)	(134,253,913)	(161,179,880)
Net increase (decrease) in cash and cash equivalents	(27,174,797)	6,218,916	(73,841,588)	25,029,331
Cash and cash equivalents - beginning balance	220,164,485	213,945,569	142,281,144	117,251,813
Cash and cash equivalents - ending balance	192,989,688	220,164,485	68,439,556	142,281,144
Additional information				
Transfer of employee benefit obligation from related company	-	-	652,146	2,646,257

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, the Company has 92 distribution centers (As at December 31, 2018 : 92 distribution centers), which are registered with the Ministry of Commerce, in Bangkok and other provinces.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

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

These consolidated and separate financial statements have been approved by the Board of Directors on February 26, 2020.

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 Financial reporting standards are effective in the current year

During the year, the Group have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group’ financial statements.

2.3 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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.

Cost of movies rights will be recognized as intangible assets and amortised using the straight-line method throughout the term of rights according to the agreement period of 1 - 3 years.

2.12 Impairment of assets

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

2.13 Ling-term lease agreements - where the Group is the lessee

Operating leases

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

Finance leases

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

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

Long-term lease agreements - where the Group is the lessor

Operating leases

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

2.14 Borrowings

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

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

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

2.15 Current and deferred income taxes

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

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

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

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

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

2.16 Employee benefits

The Group employee benefits comprise of other long-term employee benefits and post-employment benefits both for defined contribution plans and defined benefit plans, determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Post-employment benefits

- Defined contribution plans

The Group has set up a provident fund, being a defined contribution plan, of which the assets are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to profit and loss in the years to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- Defined benefit plans

Under the Labour Law applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement at age 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at rate of 300 days of final salary and may be supplemented based on management's judgement.

Other long-term employee benefits

The Group has schemes to award gold to employees who have provided services to the Group at every 5 years anniversary, for a maximum of 3 times.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised pastservice costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit plans is recognised immediately in equity through other comprehensive income and other long-term employee benefits are recognised in profit and loss in the period in which they arise. Pastservice costs are recognised immediately in profit or loss.

2.17 Provisions - general

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Revenue recognition

Revenue comprises the fair value for consideration received or receivable for the sale of goods and services provided in the ordinary course of the Group's activities. Revenue is shown net of output tax, returns, rebates and discounts. Revenue from sale of goods is recognised when significant risks and rewards of ownership of goods are transferred to the buyer. Services income is recognised as revenue in the period in which they are rendered.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

2.19 Finance costs

Finance costs comprise interest expense arising from financial institutions, interest expense from liabilities under finance lease agreements and hire-purchase agreement and gain (loss) from exchange rate from short-term loans from financial institutions

2.20 Foreign currency transactions

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

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

2.21 Dividend distribution

Dividend and interim dividend is recognised in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders and Board of Directors, respectively.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognition of assets and liabilities and net investments in foreign operations.

The Group also hedges the foreign currency exposure of its contract commitments to purchase certain goods from overseas. The forward contracts used in its programme mature in 1 - 4 months or less, consistent with the related purchase commitments.

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Managing Director before execution. The Group has no significant interest-bearing assets.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to one financial institution.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair Value Estimation

The table below analyses financial instruments carried at fair value classified by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as market prices) or indirectly (that is, derived from market prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

		Baht			
		Consolidated financial statements		Separate financial statements	
Level		2019	2018	2019	2018
Fair value of assets as at December 31					
Available-for-sale					
investments (Note 8)	1	103,056,647	101,613,187	-	-
Property, plant					
and equipment (net) (Note 18)	2	157,412,403	151,169,061	118,802,510	112,559,168

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.

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NOTES TO FINANCIAL STATEMENTS (CONT.)
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6. SEGMENT INFORMATION

	Certain part of the consolidated statements of comprehensive income for the year ended December 31, (Baht)									
	Direct marketing			General marketing			Services			Total
	2019	2018		2019	2018		2019	2018		
Sales of goods	3,362,805,289	3,240,497,500		226,020,313	284,176,835		-	-		3,547,686,645
Cost of goods sold	(1,929,261,215)	(1,799,858,771)		(134,299,221)	(143,449,779)		-	-		(1,954,757,776)
Gross profit	1,433,544,074	1,440,638,729		91,721,092	140,727,056		-	-		1,592,928,869
Service income	86,783,494	64,926,325		-	-		461,257,006	368,120,283		433,046,608
Cost of service	(36,723,224)	(36,356,665)		-	-		(406,546,744)	(378,262,638)		(414,619,303)
Gross profit	50,060,270	28,569,660		-	-		54,710,262	(10,142,355)		18,427,305
Total gross profit	1,483,604,344	1,469,208,389		91,721,092	140,727,056		54,710,262	(10,142,355)		1,611,356,174
Other income										127,361,231
Selling and administrative expenses										(1,712,996,728)
Other expenses										(448,973)
Other gain (loss)										(754,996)
Finance costs										(3,515,772)
Income tax income (expense)										(7,761,836)
Share of profit (loss) of associate										(8,989,908)
Profit (loss) for the year										28,796,356

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
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Certain part of the separate statements of comprehensive income for the year ended December 31, (Bath.)

	Direct marketing			General marketing			Services			Others			Total	
	2019	2018		2019	2018		2019	2018		2019	2018		2019	2018
Sales of goods	2,345,513,707	2,333,630,915		225,179,176	284,043,835		-	-		16,322,209	23,012,310		2,587,015,092	2,640,687,060
Cost of goods sold	(1,318,568,460)	(1,244,737,066)		(129,662,408)	(141,956,497)		-	-		(10,454,569)	(11,449,226)		(1,458,685,437)	(1,398,142,789)
Gross profit	1,026,945,247	1,088,893,849		95,516,768	142,087,338		-	-		5,867,640	11,563,084		1,128,329,655	1,242,544,271
Service income	-	-		-	-		307,453,489	240,200,566		-	-		307,453,489	240,200,566
Cost of service	-	-		-	-		(324,662,617)	(291,372,102)		-	-		(324,662,617)	(291,372,102)
Gross profit	-	-		-	-		(17,209,128)	(51,171,536)		-	-		(17,209,128)	(51,171,536)
Total gross profit	1,026,945,247	1,088,893,849		95,516,768	142,087,338		(17,209,128)	(51,171,536)		5,867,640	11,563,084		1,111,120,527	1,191,372,735
Other income													192,173,699	59,181,893
Selling and administrative expenses													(1,297,481,804)	(1,167,105,267)
Other expenses													(407,077)	(3,747)
Other gain (loss)													(755,144)	2,152,159
Finance costs													(3,583,682)	(7,022,672)
Income tax income (expense)													2,212,832	(16,433,749)
Profit (loss) for the year													3,279,351	62,141,352

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

7. CASH AND CASH EQUIVALENTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	2,188,268	1,270,746	788,125	837,777
Cash at banks - current accounts	33,566,229	19,500,187	6,107,825	11,193,549
- savings accounts	153,621,776	195,828,253	61,543,606	130,249,818
- fixed accounts	3,613,415	3,565,299	-	-
	<u>192,989,688</u>	<u>220,164,485</u>	<u>68,439,556</u>	<u>142,281,144</u>

Cash at banks - savings accounts carry interest at the rates of 0.125% - 0.750% per annum.

Cash at bank - fixed accounts carry interest at the rate of 0.65 per annum.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

8. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at December 31, 2019 and 2018 are as follows:

Securities name	Consolidated financial statements					
	Investment units held (Units)		Cost per unit (Baht)		Market price per unit (Baht)	
	2019	2018	2019	2018	2019	2018
LH Money Market Fund (LHMM)	192,617	192,617	10.30	10.30	2,231,146	2,199,210
SCB Treasury Money Plus Closed End Fund						
(SCBTMFPLUS)	8,996,333	8,996,333	10.90	10.90	100,825,501	99,413,977
Total	9,188,950	9,188,950			103,056,647	101,613,187
					3,701,571	1,588,997
					3,948,768	1,594,935

The movements of available-for-sale investments for the years ended December 31, 2019 and 2018 are as follows:

	Baht	
	Consolidated financial statements	
	2019	2018
Balance as at January 1,	101,613,187	140,502,525
Disposals		(40,000,000)
- cash received from disposals of available-for-sale investments	-	273,085
- gain from disposals of available-for-sale investments (Note 31)	-	837,577
Changes in fair value of available-for-sale investments	1,443,460	101,613,187
Balance as at December 31,	103,056,647	101,613,187

As at December 31, 2019 and 2018, 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.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

9. TRADE AND OTHER ACCOUNTS RECEIVABLE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable				
- other companies	117,685,065	164,842,629	88,668,207	125,110,685
- related parties (Note 39 c))	725,647	238,075	6,724,897	5,339,939
	118,410,712	165,080,704	95,393,104	130,450,624
Less Allowance for doubtful accounts - others	(16,454,015)	(27,301,586)	(11,565,766)	(22,830,540)
Trade accounts receivable (net)	101,956,697	137,779,118	83,827,338	107,620,084
Accounts receivable from trade barter				
of goods or service	113,531	170,208	113,531	170,208
Less Allowance for doubtful accounts	(113,531)	(170,208)	(113,531)	(170,208)
Accounts receivable from trade barter				
of goods or service (net)	-	-	-	-
Other accounts receivable				
- other companies	32,649,799	16,891,871	23,316,918	11,115,972
- related parties (Note 39 c))	-	-	-	10,000
	32,649,799	16,891,871	23,316,918	11,125,972
Less Allowance for doubtful accounts - others	(5,181,189)	(8,256,312)	(781,078)	(3,627,977)
Other accounts receivable (net)	27,468,610	8,635,559	22,535,840	7,497,995
Post dated cheques received	226,117	6,094,323	118,684	6,094,323
Accrued income				
- other companies	20,713,934	11,672,217	559,397	8,000
- related parties (Note 39 c))	-	-	3,657,689	762,363
Interest receivable - related parties (Note 39 c))	36,150	385,705	33,801	192,956
Advance payment				
- other companies	4,368,279	545,905	436,112	311,461
- related parties (Note 39 c))	-	-	326,893	10,862,757
Prepaid expenses				
- other companies	14,636,176	17,341,509	9,266,267	6,066,495
- related parties (Note 39 c))	-	-	1,408,200	1,717,260
	39,980,656	36,039,659	15,807,043	26,015,615
	169,405,963	182,454,336	122,170,221	141,133,694

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Trade accounts receivable as at December 31, 2019 and 2018 classified by aging are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounts receivable not overdue (7 days - 60 days credit terms)	49,245,992	78,997,813	40,184,792	60,226,925
Overdue				
1 - 30 days	26,406,023	35,690,896	25,411,182	35,053,166
31 - 60 days	7,801,610	3,765,486	7,680,390	3,566,076
61 - 90 days	2,477,646	1,626,551	2,328,225	1,542,619
91 - 180 days	5,687,074	4,082,379	4,567,065	2,925,692
181 - 365 days	3,449,854	3,606,077	2,234,629	2,626,413
Over 365 days	23,342,513	37,311,502	12,986,821	24,509,733
	<u>118,410,712</u>	<u>165,080,704</u>	<u>95,393,104</u>	<u>130,450,624</u>

10. INVENTORIES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finished goods	203,953,404	308,595,985	175,397,979	274,992,956
Less Allowance for obsolete and slow-moving inventories	(12,046,580)	(11,794,750)	(12,046,580)	(11,794,750)
Allowance for inventory cost in excess of net realisable value	<u>(63,579)</u>	<u>(160,303)</u>	<u>(63,579)</u>	<u>(160,303)</u>
	<u>191,843,245</u>	<u>296,640,932</u>	<u>163,287,820</u>	<u>263,037,903</u>
Packing materials	383,905	118,042	-	-
Supplies	5,330,156	2,790,128	4,040,049	2,790,128
Goods in transit	<u>9,111,554</u>	<u>14,855,916</u>	<u>9,111,554</u>	<u>14,855,916</u>
	<u>206,668,860</u>	<u>314,405,018</u>	<u>176,439,423</u>	<u>280,683,947</u>

As at December 31, 2019, inventory costs in the consolidated and separate financial statements with the value of Baht 382,682 and Baht 382,682 (As at December 31, 2018 : Baht 394,381 and Baht 394,381), 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 1,992,962,170 and Baht 1,342,981,759 (2018 : Baht 1,896,325,479 and Baht 1,267,798,690) respectively.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

11. VALUE ADDED TAX

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Undue input tax	14,930,513	14,202,468	9,749,290	9,247,175
Value added tax received in advance	(17,005,277)	(16,610,363)	(10,096,477)	(8,670,941)
Value added tax payable	(6,348,109)	(8,349,033)	(3,462,401)	(6,312,082)
	<u>(8,422,873)</u>	<u>(10,756,928)</u>	<u>(3,809,588)</u>	<u>(5,735,848)</u>

As at December 31, 2019 and 2018, value added tax presented by net taxable units are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Value added tax - assets	-	-	-	-
- liabilities	(8,422,873)	(10,756,928)	(3,809,588)	(5,735,848)
	<u>(8,422,873)</u>	<u>(10,756,928)</u>	<u>(3,809,588)</u>	<u>(5,735,848)</u>

12. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2019 and 2018, restricted deposits at financial institutions represent 3-month to 12-month fixed deposits. The fixed deposits are held as collateral against credit facilities from financial institutions (Note 22).

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
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 22), airtime rental	(Note 22), airtime rental	(Note 22).	(Note 22).
	(Note 41.1) and credit	(Note 41.1) and credit		
	facilities (Note 22).	facilities (Note 22).		

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

13. INCOME TAX REFUNDABLE

	Baht			
	Consolidate financial statements		Separate financial statements	
	2019	2018	2019	2018
Withholding tax incurred during the years ended				
December 31, 2015	1,176,834	1,176,834	-	-
December 31, 2016	1,340,762	3,934,237	-	2,593,475
December 31, 2017	12,622,904	15,058,320	-	2,435,416
December 31, 2018	18,163,175	19,871,025	1,346,261	1,346,261
December 31, 2019	15,723,990	-	1,667,921	-
	<u>49,027,665</u>	<u>40,040,416</u>	<u>3,014,182</u>	<u>6,375,152</u>

As at December 31, 2019, the outstanding prepaid withholding tax arising from year 2015 to 2018 are in process of claim for refund and investigation of Revenue Department's officer. The management also views that the Company is able to refund the whole amount. Therefore, the allowance for unrecoverable prepaid withholding tax is not set up at the end of accounting period.

14. INVESTMENT IN ASSOCIATE

Companies name	Baht							
	Paid up share capital		Percentage of shareholding %		Consolidated financial statement		Separate financial statement	
					Equity method		Cost method	
	2019	2018	2019	2018	2019	2018	2019	2018
J-RD Co., Ltd.	54,000,000	36,000,000	25%	25%	4,657,454	9,828,269	11,500,000	10,000,000
Global One Corporation Co., Ltd.	1,000,000	-	35%	-	202,538	-	359,909	-
					<u>4,859,992</u>	<u>9,828,269</u>	<u>11,840,909</u>	<u>10,000,000</u>

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NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Summarised financial information of associate

	Baht	
	3-RD Co., Ltd.	
	2019	2018
Current assets	10,390,511	31,731,152
Non-current assets	49,483,802	62,450,841
Current liabilities	50,446,228	59,286,999
Non-current liabilities	5,512,105	9,484,922
Revenue	76,893,123	115,021,499
Profit for the year	(35,374,183)	(686,926)
Dividend receive from associate during the year	-	-

	Baht	
	Global One Corporation Co.,Ltd.	
	2019	2018
Current assets	7,888,524	-
Non-current assets	963,951	-
Current liabilities	8,273,508	-
Non-current liabilities	-	-
Revenue	2,623,478	-
Profit for the year	(421,034)	-
Dividend receive from associate during the year	-	-

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

15. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2019 and 2018 are as follows:

Company name	Nature of business	Incorporated in	Percentage of shareholding		Paid-up share capital	
			2019	2018	2019	2018
			%	%	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	70,000,000	40,000,000
Megak Pivot Co., Ltd.	Data center service	Thailand	70.00	60.00	30,000,000	22,499,200
MERX 915 Co., Ltd.	Sell goods through online channels	Thailand	51.00	-	5,000,000	-
TVDM Co., Ltd.	Sell goods through Satellite TV	Thailand	60.00	-	5,000,000	-

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Separate financial statements							
Company name	Cost method						
	2019 (Bath)			2018 (Bath)			
	Cost	Allowance for impairment	Book Value	Proportionate net worth	Gain (loss) from investment in subsidiaries	Cost	Allowance for impairment
Subsidiaries						Book Value	Proportionate net worth
TVD Shopping Co., Ltd.	224,250,000	-	224,250,000	155,345,718	(68,904,282)	224,250,000	160,706,573
TVD Services Co., Ltd.	39,999,998	-	39,999,998	41,275,441	1,275,443	39,999,998	42,308,689
TVD Broker Co., Ltd.	54,999,960	-	54,999,960	23,443,425	(31,556,535)	54,999,960	14,619,994
Last Mile Direct Co., Ltd.	59,229,620	-	59,229,620	39,537,489	(19,692,131)	59,229,620	(5,002,240)
Magik Pivot Co., Ltd.	20,999,957	-	20,999,957	21,704,017	704,060	13,499,200	14,330,554
MFRX 915 Co., Ltd.	2,549,990	-	2,549,990	2,519,337	(30,653)	-	-
TVD M Co., Ltd.	2,999,980	-	2,999,980	5,337,649	2,337,669	-	-
	405,029,505	-	405,029,505	289,163,076	(115,866,429)	361,978,778	226,963,570
							(135,015,208)

* The management considered that loss arising from the above investments in subsidiaries is temporary loss as due to:

- For Last Mile Direct Co., Ltd., the management has changed its business plan to providing a delivery service for products and parcels. Management provided a business plan with operating cash flows for year 2020, and expects to receive profits from the operation.
- For TVD Broker Co., Ltd., this subsidiary is currently in the initial start-up of business. However, the management provided operating cash flows for year 2020 and expects to receive the profits from the operation.

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

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NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

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, 2019 and 2018

	Baht			
	TV D Shopping Co., Ltd.	Mugik Pivot Co., Ltd.		Total
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	2019	2018	2019	2018
Current				
Assets				
	226,843,122	196,087,297	14,110,263	5,917,908
				240,953,385
				202,005,205
Liabilities				
	(161,130,677)	(142,592,334)	(3,146,708)	(3,716,714)
				(164,277,385)
				(146,309,048)
Total net current assets	65,712,445	53,494,963	10,963,555	2,201,194
				76,676,000
				55,696,157
Non-current				
Assets				
	177,950,946	195,960,845	20,042,182	22,527,292
				197,993,128
				218,488,137
Liabilities				
	(4,669,978)	(2,214,926)	-	(884,230)
				(4,669,978)
				(3,099,156)
Total net non-current assets	173,280,968	193,745,919	20,042,182	21,643,062
				193,323,150
				215,388,981
Net assets	238,993,413	247,240,882	31,005,737	23,844,256
				269,999,150
				217,085,138

TV DIRECT PUBLIC COMPANY LIMITED

Summarised statements of comprehensive income for the years ended December 31, 2019 and 2018

	Baht				
	TVD Shopping Co., Ltd.		Magik Pivot Co., Ltd.		Total
	2019	2018	2019	2018	2018
Revenue	1,170,873,797	1,044,218,047	26,856,292	18,675,549	1,197,730,089
Profit (loss) before income tax	43,017,770	30,151,289	2,619,602	1,920,680	45,637,372
Income tax income (expense)	(6,070,575)	(2,716,604)	(523,920)	(346,264)	(6,594,495)
Post-tax profit (loss) from continuing operations	36,947,195	27,434,685	2,095,682	1,574,416	39,042,877
Other comprehensive income	396,338	650,030	-	-	396,338
Total comprehensive income	37,343,533	28,084,715	2,095,682	1,574,416	39,439,215
Total comprehensive income allocated to non-controlling interests	13,070,237	9,618,185	628,705	629,766	13,698,942
Dividends paid to non-controlling interests	9,556,500	9,975,000	742,500	-	10,299,000
					9,975,000

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Summarised statements of cash flows for the years ended December 31, 2019 and 2018

	Baht				
	I V D Shopping Co., Ltd.	Magik Pivot Co., Ltd.		Total	
	2019	2018	2019	2018	2018
Cash flow from operating activities					
Cash generated from operations	85,486,284	26,230,633	5,333,074	6,323,099	90,819,358
Interest received	346,359	176,280	25,600	-	371,959
Interest paid	-	-	-	-	-
Paid to employee benefit	(145,000)	(115,000)	-	-	(145,000)
Income tax paid	(2,214,043)	(181,241)	(588,665)	(346,264)	(2,802,708)
					(527,505)
Net cash generated from (used in) operating activities	83,473,600	26,110,672	4,770,009	5,976,835	88,243,609
					32,087,507
Net cash generated from (used in) investing activities	(13,583,176)	34,590,491	(3,129,194)	(15,550,297)	(16,712,370)
					19,040,194
Net cash generated from (used in) financing activities	(45,600,000)	(63,500,000)	5,025,800	-	(40,574,200)
					(63,500,000)
Net (decrease)/increase in cash and cash equivalents	24,290,424	(2,798,837)	6,666,615	(9,573,462)	30,957,039
Cash and cash equivalents at the beginning of the year	32,196,346	34,995,183	2,955,726	12,529,188	35,152,072
Cash and cash equivalents at the end of the year	56,486,770	32,196,346	9,622,341	2,955,726	66,109,111
					35,152,072

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NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

The net movement of investments in subsidiaries for the years ended December 31, 2019 and 2018 comprises the following:

	Baht	
	Separate financial statements	
	2019	2018
Opening net book value	361,978,778	361,978,778
Cash paid for investment in - Last Mile Direct Co., Ltd.	30,000,000	-
- Magik Pivot Co., Ltd.	7,500,757	-
- MERX 915 Co., Ltd.	2,549,990	-
- TVD M Co., Ltd.	2,999,980	-
Ending net book value	405,029,505	361,978,778

The movement of shares capital of subsidiaries for the years ended December 31, 2019 and 2018 as follows:

- Last Mile Direct Co., Ltd.

According to the Board of Directors' Meeting of the Company dated March 20, 2019, the resolutions were approval to invest in the share capital increase of Last Mile Direct Co., Ltd. "subsidiary" for 300,000 shares at Baht 100 per share in the total amount of Baht 30,000,000.

- Magik Pivot Co., Ltd.

On March 8, 2019, Magic P. Watts Company Limited "subsidiary" called to increase the registered capital in the amount of Baht 1,500,000 and on July 19, 2019 called the additional registered capital of Baht 6,000,000.

- MERX 915 Co., Ltd.

According to the Board of Directors' Meeting of the Company No. 5/2019, on August 14, 2019, the meeting approved to invest in MERX 915 Co., Ltd. in order to operate the business of distributing products through Online Channel in the proportion of 51 percent, worth Baht 2,550,000.

- TVD M Co., Ltd.

According to the Board of Directors' Meeting of the Company No. 5/2019, on August 14, 2019, the meeting approved to invest in TVD M Co., Ltd. in order to operate the business of distributing products through Satellite TV in the proportion of 60 percent, worth Baht 3,000,000.

16. INVESTMENT HOLD TO MATURITY

The investment hold to maturity is the investment in 3 - year special GSB Lottery for 120,000 until amounted to Baht 6,000,000. The redemption is due on November 27, 2022.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
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17. INVESTMENT PROPERTIES

The movements of investment properties for the years ended December 31, 2019 and 2018 comprise the following:

	Baht					
	Consolidated financial statements			Separate financial statements		
	Building			Building		
	Building	improvements	Total	Building	improvements	Total
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
Less Accumulated depreciation	-	-	-	(4,802,851)	(7,314,342)	(12,117,193)
Net book value	-	-	-	38	3,222,048	3,222,086
For the year ended December 31, 2019						
Opening net book value	-	-	-	38	3,222,048	3,222,086
Additions	-	-	-	-	-	-
Depreciation charge (Note 32)	-	-	-	-	(2,107,278)	(2,107,278)
Closing net book amount	-	-	-	38	1,114,770	1,114,808
As at December 31, 2019						
Cost	-	-	-	4,802,889	10,536,390	15,339,279
Less Accumulated depreciation	-	-	-	(4,802,851)	(9,421,620)	(14,224,471)
Net book value	-	-	-	38	1,114,770	1,114,808

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NOTES TO FINANCIAL STATEMENTS (CONT.)
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Fair value of investment properties as at December 31, 2019 amount is Baht 1,902,292 (2018 : Baht 4,009,570).

The Group's management has estimated the fair value of investment properties as at December 31, 2019 and 2018 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, 2019, 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 (2018 : Baht 4,802,889).

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Rental income	-	-	1,116,000	1,116,000
Direct operating expense arising from investment property that generated rental income for the year	-	-	2,107,278	2,100,436

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18. PROPERTY, PLANT AND EQUIPMENT

The net movements of property, plant and equipment for the years ended December 31, 2019 and 2018 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, 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)
Disposal - 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	-	(18,731,430)	(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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
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	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, 2019								
Opening 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
- Additions	6,241,342	165,000	1,180,000	10,714,921	28,147,587	-	11,269,580	57,720,430
- Transfers in (out)	-	-	4,920,000	3,792,990	4,370,659	-	(13,163,649)	(80,000)
Write off - cost	-	-	-	(198,000)	(10,075,003)	-	-	(10,273,003)
- accumulated depreciation	-	-	-	15,704	9,773,591	-	-	9,789,295
Depreciation charge (Note 32)	-	(440,630)	(6,085,884)	(16,146,089)	(37,280,401)	-	-	(59,953,004)
Closing net book value	157,412,403	909,050	97,294,997	51,489,649	81,939,599	3	1,602,271	390,647,972
As at December 31, 2019								
Cost	98,862,799	10,081,110	141,127,402	161,312,893	363,094,243	1,848,381	1,602,271	777,929,099
Surplus from revaluation	58,549,604	-	-	-	-	-	-	58,549,604
Less: Accumulated depreciation	-	(9,172,060)	(43,832,405)	(109,822,244)	(281,154,644)	(1,848,378)	-	(445,830,731)
Allowance for impairment of assets	-	-	-	-	-	-	-	-
Net book value	157,412,403	909,050	97,294,997	51,489,649	81,939,599	3	1,602,271	390,647,972

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As at December 31, 2019, land including construction of the Company with net book value amounting to Baht 155,470,913 (As at December 31, 2018 : Baht 153,322,058) was pledged as guarantee against the loan from the financial institutions (Notes 22 and 24).

As at December 31, 2019, land which is presented in the consolidated and separate financial statements, under the cost method amounted to Baht 98,862,799 and Baht 60,252,906 (As at December 31, 2018 : Baht 92,619,457 and Baht 54,009,564 respectively). The revaluation surplus was Baht 58,549,604 and Baht 58,549,604 (As at December 31, 2018 : Baht 58,549,604 and Baht 58,549,604 respectively).

As at December 31, 2019 and 2018, 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, 2019, 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 295,805,185 and Baht 280,978,964 (As at December 31, 2018 : Baht 214,481,343 and Baht 214,363,136), respectively.

Depreciation for the years ended December 31, 2019 and 2018 comprised the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Selling expenses	16,814,993	20,222,655	15,325,662	19,195,378
Administrative expenses	43,138,011	42,615,166	10,220,905	13,814,265
	<u>59,953,004</u>	<u>62,837,821</u>	<u>25,546,567</u>	<u>33,009,643</u>

As December 31, 2019 and 2018, 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	
	2019	2018	2019	2018
Cost	1,843,600	552,000	1,524,600	-
Less: Accumulated depreciation	(89,798)	(165,449)	(35,087)	-
Net book value	<u>1,753,802</u>	<u>386,551</u>	<u>1,489,513</u>	<u>-</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

19. INTANGIBLE ASSETS

Intangible assets represent computer software. The movements of intangible assets for the years ended December 31, 2019 and 2018 comprise the following:

	Baht	
	Consolidated	Separate
	financial statements	financial statements
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
For the year ended December 31, 2019		
Opening net book value	65,942,548	42,304,234
Transfer in	(8,500)	(8,500)
Additions	224,734,735	214,315,000
Amortization charge	(114,313,439)	(108,126,559)
Closing net book value	176,355,344	148,484,175
As at December 31, 2019		
Cost	370,901,097	319,636,315
<u>Less</u> Accumulated amortization	(194,545,753)	(171,152,140)
Net book value	176,355,344	148,484,175

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Amortisation for the years ended December 31, 2019 and 2018 comprises the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Selling expenses	96,986,228	2,563,694	94,355,435	1,206,031
Administrative expense	17,327,211	15,098,018	13,771,124	11,257,445
	<u>114,313,439</u>	<u>17,661,712</u>	<u>108,126,559</u>	<u>12,463,476</u>

20. DEFERRED INCOME TAXES

Deferred income taxes (net) as at December 31, 2019 and 2018 comprises the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets:				
Deferred tax assets to be recovered				
- within 12 months	2,500,000	2,500,000	-	-
- more than 12 months	48,033,498	49,302,888	29,705,574	26,443,808
Total deferred tax assets	<u>50,533,498</u>	<u>51,802,888</u>	<u>29,705,574</u>	<u>26,443,808</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled				
- within 12 months	(39,183)	(518,347)	(39,183)	(287,917)
- more than 12 months	(12,299,601)	(12,010,908)	(11,709,921)	(11,709,921)
Total deferred tax liabilities	<u>(12,338,784)</u>	<u>(12,529,255)</u>	<u>(11,749,104)</u>	<u>(11,997,838)</u>
Deferred tax assets (net)	<u>38,194,714</u>	<u>39,273,633</u>	<u>17,956,470</u>	<u>14,445,970</u>

TV DIRECT PUBLIC COMPANY LIMITED
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	Baht			
	Consolidated financial statements			
	Debit (credit) to			
	Other			
	As at January	Profit or loss	comprehensive	As at December
	1, 2019		income	31, 2019
Deferred tax assets:				
Allowance for doubtful accounts	5,325,745	(2,833,670)	-	2,492,075
Allowance for doubtful account receivable				
disposal investments	925,667	(45,644)	-	880,023
Allowance for obsolete and slow-moving inventories	2,358,950	50,366	-	2,409,316
Allowance for inventory cost in excess of net	32,061	(19,345)	-	12,716
realisable value				
Discount from purchase of business under common				
control recognised as intangible assets for tax purpose	13,705,479	(2,500,000)	-	11,205,479
Difference between accounting base and tax base from				
- value of property, plant and equipment	2,443,488	(556,784)	-	1,886,704
Provision for goods returned	160,414	(49,324)	-	111,090
Employee benefit obligations	4,100,858	2,060,204	1,496,141	7,657,203
Taxable loss carried forward	22,750,226	1,128,666	-	23,878,892
Total deferred tax assets	51,802,888	(2,765,531)	1,496,141	50,533,498
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Gain on measurement of available-for-sale investments	(300,987)	-	(288,693)	(589,680)
Assets and intangible assets under financial lease and				
hire-purchase agreements (net)	(518,347)	479,164	-	(39,183)
Total deferred tax liabilities	(12,529,255)	479,164	(288,693)	(12,338,784)
Deferred tax assets (net)	39,273,633	(2,286,367)	1,207,448	38,194,714

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

	Baht		
	Consolidated financial statements		
	Debit (credit) to		
	As at January	Profit or loss	Other
	1, 2018		comprehensive income
			As at December
			31, 2018
Deferred tax assets:			
Allowance for doubtful accounts	10,197,587	(4,871,842)	-
Allowance for doubtful account receivable			
disposal investments	925,667	-	-
Allowance for obsolete and slow-moving inventories	2,290,705	68,245	-
Allowance for inventory cost in excess of net			
realisable value	45,350	(13,289)	-
Discount from purchase of business under common			
control recognised as intangible assets for tax purpose	16,205,479	(2,500,000)	-
Difference between accounting base and tax base from			
- value of property, plant and equipment	2,975,580	(532,092)	-
Provision for goods returned	136,162	24,252	-
Employee benefit obligations	3,419,893	680,965	-
Taxable loss carried forward	35,585,823	(12,835,597)	-
Total deferred tax assets	71,782,246	(19,979,358)	-
Deferred tax liabilities:			
Surplus from land revaluation	(11,709,921)	-	-
Gain on measurement of available-for-sale investments	(133,472)	-	(167,515)
Assets and intangible assets under financial lease and			
hire-purchase agreements (net)	(1,581,678)	1,063,331	-
Total deferred tax liabilities	(13,425,071)	1,063,331	(167,515)
Deferred tax assets (net)	58,357,175	(18,916,027)	(167,515)

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

	Baht		
	Separate financial statements		
	Debit (credit) to		
	As at January	Profit or loss	Other
	1, 2019		comprehensive income
			As at December
			31, 2019
Deferred tax assets:			
Allowance for doubtful accounts	5,325,745	(2,833,670)	-
Allowance for obsolete and slow-moving inventories	2,358,950	50,366	-
Allowance for inventory cost in excess of net realisable value	32,061	(19,345)	-
Provision for goods returned	160,414	(49,324)	-
Employee benefit obligations	3,000,753	1,429,778	1,139,576
Taxable loss carried forward	15,565,885	3,544,385	-
Total deferred tax assets	26,443,808	2,122,190	1,139,576
Deferred tax liabilities:			
Surplus from land revaluation	(11,709,921)	-	-
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(287,917)	248,734	-
Total deferred tax liabilities	(11,997,838)	248,734	-
Deferred tax assets (net)	14,445,970	2,370,924	1,139,576

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

	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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

21. OTHER NON-CURRENT ASSETS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deposits guarantee for				
- rental	23,838,523	22,532,486	23,802,023	21,718,554
- airtime rental				
- other companies	13,773,342	12,358,652	7,135,530	6,540,096
- related companies (Note 39 c))	-	-	1,339,260	1,339,260
Others	1,141,220	552,150	901,993	2,052,150
	<u>38,753,085</u>	<u>35,443,288</u>	<u>33,178,806</u>	<u>31,650,060</u>

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Type of short-term loans				
Bank Overdraft	-	10,010,240	-	-
Letter of credit / Trust receipts	52,176,915	155,718,585	52,176,915	155,718,585
	<u>52,176,915</u>	<u>165,728,825</u>	<u>52,176,915</u>	<u>155,718,585</u>

Consolidated financial statements

Separate financial statements

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TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

As at December 31, 2019 and 2018, credit facilities from 5 financial institutions consist of:

Type	Million Baht	
	2019	2018
<u>Company</u>		
Bank overdrafts	50	50
Bank overdrafts (buyer credit)	20	20
Short-term loans - promissory notes	150	150
Letter of credit/trust receipts	450	450
Letter of bank guarantees	115	115
Foreign currencies forward contracts	450	450
Total credit lines	1,235	1,235
<u>Less</u> Used credit lines	(68)	(198)
Total unused credit lines	1,167	1,037
<u>Subsidiaries</u>		
Bank overdrafts	10	10

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

23. TRADE AND OTHER ACCOUNTS PAYABLE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts payable - other companies	488,891,328	372,994,296	344,096,661	235,071,724
- related parties				
(Note 39 c))	-	-	8,221,198	5,416,245
Other accounts payable - other companies	27,936,261	29,866,953	19,671,438	17,520,574
- related parties				
(Note 39 c))	26,537	502,686	3,215,520	2,941,227
Accounts payable from purchase of				
Accrued expenses				
- Accrued NBTC fee	598,733	541,124	-	-
- Accrued bonus	2,180,499	4,563,968	-	2,754,337
- Dividend payable	311,224	7,115,713	311,224	7,115,713
- Accrued warehouse management & distribution expenses				
- other companies	16,887,991	7,308,203	-	-
- related parties (Note 39 c))	-	-	9,839,456	10,244,083
- Accrued commission expenses	7,193,737	7,399,563	4,151,093	4,370,683
- Other accrued expenses	15,824,783	22,769,002	18,386,810	17,581,550
Accrued interest expense - financial institution	18,464	38,640	18,464	38,640
- related parties (Note 39 c))	-	-	38,219	38,219
Advances received from customers	1,361,569	1,358,115	218,811	620,623
Revenue received in advance	4,699,714	6,008,400	-	-
Post dated cheques paid	402,577	1,357,658	-	-
	566,333,417	461,824,321	408,168,894	303,713,618

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

24. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

The movement of long-term loans from financial institutions for the years ended December 31, 2019 and 2018 comprises:

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Balance as at January 1,	16,037,253	36,323,756
Additions	-	-
Repayment of the loans	(6,930,252)	(20,286,503)
Balance as at December 31,	9,107,001	16,037,253
Less Current portion due within 1 year	(7,267,258)	(6,940,906)
	<u>1,839,743</u>	<u>9,096,347</u>

As at December 31, 2019 and 2018, 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, 2019, 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, 2019, the borrowing under loan agreement has an outstanding amount of Baht 9,107,001 (As at December 31, 2018 Baht 16,037,253).

As at December 31, 2019 and 2018, 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.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

25. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Liabilities under financial lease and hire-purchase agreements	2,212,995	258,509	1,666,440	-
Less Future finance charges on financial lease and hire-purchase agreements	(163,633)	(7,360)	(141,840)	-
	2,049,362	251,149	1,524,600	-
Less Current portions of liabilities under financial lease and hire-purchase agreements (net)	(1,089,200)	(251,149)	(564,438)	-
	960,162	-	960,162	-

As at December 31, 2019, the Company and a subsidiary have two computer equipment lease agreements with two local companies. The repayments are 24 - 36 installments monthly in the same amount. The assets ownership acquired under this lease agreement shall be transferred as the ownership of the Company 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	
	2019	2018	2019	2018
Due for payment within				
1 year	1,194,615	258,509	648,060	-
1 year - 5 years	1,018,380	-	1,018,380	-
	2,212,995	258,509	1,666,440	-

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

26. OTHER CURRENT LIABILITIES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Withholding tax payable	5,514,103	5,536,528	3,399,857	3,650,262
Social security payable	1,630,163	1,423,539	1,365,268	1,172,892
Provision for goods returned	578,955	844,513	555,448	802,070
Others	1,176,298	356,380	1,165,967	457,432
	<u>8,899,519</u>	<u>8,160,960</u>	<u>6,486,540</u>	<u>6,082,656</u>

27. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at December 31, 2019 and 2018 comprise the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Post-employment benefits	30,491,467	12,960,675	23,324,443	9,890,905
Other long-term employee benefits	7,794,548	7,543,620	3,873,944	5,112,862
	<u>38,286,015</u>	<u>20,504,295</u>	<u>27,198,387</u>	<u>15,003,767</u>

Employee benefit expenses for the years ended December 31, 2019 and 2018 comprise the following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Post - employment benefits				
- current service cost	5,536,906	3,545,681	3,971,660	2,235,447
- interest cost	403,344	278,404	312,320	187,923
Loss from project changes				
Recognized in profit or loss	4,396,794	-	3,576,654	-
Actual loss from estimate based on actuarial principles				
- in other comprehensive income	7,480,706	-	5,697,881	-
	<u>17,817,750</u>	<u>3,824,085</u>	<u>13,558,515</u>	<u>2,423,370</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other long-term employee benefits				
- current service cost	2,708,149	3,099,649	1,661,498	1,837,918
- interest cost	89,579	106,677	54,270	56,785
Actual gain from the estimate based on actuarial principles - in profit or loss	(963,781)	-	(1,052,540)	-
	1,833,947	3,206,326	663,228	1,894,703
Total employee benefit expenses recognised during the year	19,651,697	7,030,411	14,221,743	4,318,073

The movement of employee benefit obligations for years ended December 31, 2019 and 2018 is as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Balance as at January 1,	20,504,295	17,095,448	15,003,767	11,178,802
Increase during the year	8,737,978	7,030,411	5,999,748	4,318,073
Payment during the year	(1,869,977)	(3,621,564)	(1,384,977)	(3,139,365)
Transfer of employee benefit obligations to subsidiary company	-	-	(652,146)	2,646,257
Loss from project changes				
Recognized in profit or loss	4,396,794	-	3,576,654	-
Actual gain (loss) from the estimate based on actuarial principles				
- In profit or loss	(963,781)	-	(1,042,540)	-
- Other comprehensive income	7,480,706	-	5,697,881	-
Balance as at December 31,	38,286,015	20,504,295	27,198,387	15,003,767

During 2019 and 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.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

The principal actuarial assumptions used were as follows:

	2019		2018	
	Consolidated financial	Separate financial	Consolidated financial	Separate financial
	statements	statements	statements	statements
Discount rate (%)	1.60% - 1.83%	1.63%	2.33% - 3.25%	2.33%
Future salary increases (%)	2.00%	2.00%	5.00%	5.00%
Turnover rate (%)	0.00% - 66.00%	0.00% - 66.00%	0.00% - 67.00%	0.00% - 67.00%

Sensitivity analysis for each significant assumption is as follows:

		Increase (decrease) to employee benefit obligations			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Discount rate	Increase by 1%	(2,823,091)	(1,173,510)	(2,242,556)	(886,606)
Discount rate	Decrease by 1%	3,213,130	1,301,718	2,551,211	986,372
Future salary increases	Increase by 1%	2,875,925	1,367,764	2,337,784	1,061,889
Future salary increases	Decrease by 1%	(2,547,764)	(1,231,007)	(2,072,244)	(956,663)
Turnover rate	Increase by 1%	(3,083,419)	(1,375,414)	(2,441,139)	(1,036,707)
Turnover rate	Decrease by 1%	2,181,669	925,404	1,672,891	608,609

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 April 5, 2019 the labour Protection Act has been enacted in the Royal Gazette. The labour Protection includes a requirement that an employee who is terminated after having been employee by the same employer for an uninterrupted period of 20 year or more, receives severance payment of 400 days of wage at the most recent rate, which is increased from the current maximum rate of 300 days. The group recognizes in the employee benefit obligations in profit (loss)

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

28. WARRANTS

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

As at December 31, 2019, 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 0.998 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 2019, the warrants holders exercised their warrants following with exercise ratio at 1 warrant per 1 ordinary share and exercise price at Baht 0.998 per share, totaling 67,663 ordinary shares, totaling paid-up capital of Baht 67,528. The Company registered the increase in paid-up share capital with Ministry of Commerce on July 18, 2019.

As at December 31, 2019, there is outstanding balance of unexercised warrants to purchase ordinary share No. 2 (TVD-W2) is 162,483,760 units.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

29. SHARE CAPITAL AND PREMIUM ON SHARE

	Consolidated/Separate financial statements			
		Baht		
	Number of share	Ordinary share	Share premium	Total
Registered share capital				
As at January 1, 2018	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
Increase in registered share capital				
Increase capital during the year	-	-	-	-
As at December 31, 2019	812,866,688	406,433,344	-	406,433,344
Issued and fully paid-up share capital				
As at January 1, 2018	650,293,350	325,146,675	422,995,715	748,142,390
Share premium used to compensate the deficits				
Warrant exercised (Note 26)	-	-	(29,999,639)	(29,999,639)
Increase in registered share capital	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
Share premium used to compensate the deficits				
Increase capital during the year	67,663	33,831	33,697	67,528
As at December 31, 2019	650,382,928	325,191,464	393,040,731	718,232,195

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.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

30. DIVIDEND PAYMENT AND LEGAL RESERVE

Company

2019

Annual General Meeting of Shareholders held on March 29, 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 32,514,667.50 and set aside legal reserve of Baht 1,896,054 on December 12, 2018. Therefore, the Company paid additional dividend at Baht 0.03 per share in the amount of Baht 19,510,694 and set aside additional legal reserve for Baht 1,211,014. The dividend paid to the shareholders on April 29, 2019

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 0.05 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

2019

Annual General Meeting of Shareholders of TVD Shopping Co., Ltd. "the subsidiary" held on March 27, 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 paid 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 paid to the shareholders on April 23, 2019.

The Board of Directors' Meeting No.3/2019, held on June 26, 2019 of TVD Shopping Co., Ltd. "the subsidiary", it had the resolution to pay the dividends from retained earnings as at May 31, 2019 to the shareholders at Baht 0.2478 per share, totaling Baht 17,100,000 and allocate the legal reserve at the rate 5 percent from net profit in the amount of Baht 900,000. The dividend paid to the shareholders on July 12, 2019.

The Board of Directors' Meeting No.4/2019, held on November 12, 2019 of TVD Shopping Co., Ltd. "the subsidiary", it had the resolution to pay the dividends from retained earnings as at October 31, 2019 to the shareholders at Baht 0.28 per share, totaling Baht 19,000,000 and allocate the legal reserve at the rate 5 percent from net profit in the amount of Baht 1,000,000. The dividend paid to the shareholders on November 27, 2019.

The Board of Directors' Meeting No. 3/2019, held on June 13, 2019 of Magik Pivot Co., Ltd. "the subsidiary" it had the resolution to pay the dividends from retained earnings as at May 31, 2019 to the shareholders at Baht 8.25 per share, totaling Baht 2,475,000 and allocate the legal reserve at the rate 5 percent from net profit in the amount of Baht 133,400. The dividend paid to the shareholders on June 24, 2019.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

The Board of Directors' Meeting No. 1/2019, held on November 19, 2019 of TVD Services Co., Ltd. "the subsidiary" it had the resolution to pay the dividends from retained earnings as at October 31, 2019 to the shareholders at Baht 7.5 per share, totaling Baht 3,000,000 and allocate the legal reserve at the rate 5 percent from net profit in the amount of Baht 167,000. The dividend paid to the shareholders on December 9, 2019.

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.

31. LEGAL RESERVE

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Opening balance	1,896,054	3,802,569
Deduction of accumulated loss (Note 29)	-	(3,802,569)
Appropriation during the year (Note 30)	1,374,982	1,896,054
Ending balance	3,271,036	1,896,054

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.

32. NON-CONTROLLING INTEREST

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Opening balance	131,453,590	131,180,630
Set up new subsidiaries	4,450,000	-
Share of net profit (loss) of subsidiary	15,338,615	10,247,962
Dividend payment to non-controlling interest	(16,950,033)	(9,975,002)
Ending balance	134,292,172	131,453,590

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33. OTHER INCOME

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Service income from subsidiaries (Note 39a))	-	-	41,805,289	28,777,787
Dividend income (Note 39a))	-	-	34,124,967	22,524,979
Income from sale of movie rights	108,237,050	-	108,237,050	-
Gain from disposals of				
- available-for-sale investments (Note 8)	-	273,085	-	-
Interest income from				
- financial institutions	1,657,068	1,243,252	771,119	869,585
- related companies (Note 39a))	-	716,986	329,892	866,986
Others	17,467,113	10,277,286	6,905,382	6,142,556
	<u>127,361,231</u>	<u>12,510,609</u>	<u>192,173,699</u>	<u>59,181,893</u>

34. EXPENSES BY NATURE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changes in finished goods and supplies	(103,601,261)	(23,985,723)	(98,345,056)	(53,205,914)
Purchases of finished goods	(1,843,920,664)	(1,848,353,133)	(1,244,636,703)	(1,214,592,776)
Advertising airtime media rental expense	(601,966,729)	(614,093,084)	(434,995,104)	(506,372,918)
Advertising and printing media				
production expense	(209,690,300)	(147,722,183)	(194,728,049)	(139,630,383)
Staff cost expense	(531,699,284)	(505,949,258)	(332,011,825)	(301,473,006)
Distribution expense	(271,997,342)	(255,008,327)	(263,857,697)	(220,968,469)
Space and warehouse rental expense	(52,441,949)	(52,428,601)	(25,824,499)	(24,971,105)
Public utility expense	(41,460,017)	(42,475,333)	(27,983,434)	(32,058,919)
Depreciation and amortisation				
(Note 17, 18 and 19)	(166,038,918)	(80,499,533)	(133,673,126)	(47,573,554)
Organizing fee expense	(1,290,304)	(1,843,472)	(1,127,564)	(1,680,672)

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DECEMBER 31, 2019

35. FINANCE COSTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Interest expense from				
- borrowings	(3,420,818)	(6,794,745)	(3,576,026)	(7,022,671)
- liabilities under financial lease agreements	(94,954)	(46,770)	(7,656)	-
	<u>(3,515,772)</u>	<u>(6,841,515)</u>	<u>(3,583,682)</u>	<u>(7,022,671)</u>

36. INCOME TAX

Reconciliation of income tax expenses for the years ended December 31, 2019 and 2018 comprises:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax :				
Current income tax on taxable				
profit for the period	(5,475,469)	(1,334,708)	(158,092)	-
Deferred income tax : (Note 20)				
Origination of temporary differences	(2,286,367)	(18,916,027)	2,370,924	(16,433,749)
Income tax income (expense)	<u>(7,761,836)</u>	<u>(20,250,735)</u>	<u>2,212,832</u>	<u>(16,433,749)</u>
	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) before tax accounting base	36,558,192	88,048,346	1,066,519	78,575,101
Tax calculated at a tax rate of 20%	(7,311,638)	(17,609,669)	(213,304)	(15,715,020)
Tax effect of:				
Exemption of taxable income	-	-	6,824,993	4,504,996
(Non-deductible expenses for tax purpose)				
additional deductible expenses for				
tax purpose	286,748	3,685,080	(367,002)	(361,883)
Tax losses of subsidiaries for which				
no deferred income tax asset was				
recognised	3,294,909	(1,454,304)	-	-
Income tax refundable written-off	(4,031,855)	(4,871,842)	(4,031,855)	(4,871,842)
Income tax income (expense)	<u>(7,761,836)</u>	<u>(20,250,735)</u>	<u>2,212,832</u>	<u>(16,443,749)</u>

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37. EARNINGS (LOSS) PER SHARE

37.1 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	
	2019	2018	2019	2018
Profit (loss) attributable to shareholders of the parent company (Baht)	13,379,215	57,565,696	3,279,351	62,141,352
Weighted average number of ordinary share (Shares)	650,382,928	650,304,518	650,382,928	650,304,518
Number of share under warrant (Shares)	162,483,760	109,555,206	162,483,760	109,555,206
Number of share that would have been issued at fair value (Shares)	(122,296,242)	(71,190,174)	(122,296,242)	(71,190,174)
Ordinary shares plus effect of assumed conversion (Shares)	690,570,446	688,669,550	690,570,446	688,669,550
Earning (loss) per share				
Basic earnings per share (Baht per share)	0.02057	0.08852	0.00504	0.09556
Diluted earnings per share (Baht per share)	0.01937	0.08359	0.00475	0.09023

37.2 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).

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38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 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,
2019				rate	2019
Bank overdraft and Short-term borrowings from financial institutions	165,728,825	(114,307,053)	-	755,143	52,176,915
Long-term borrowings from financial institutions	16,037,253	(6,930,252)	-	-	9,107,001
Liabilities under a finance lease agreement	251,149	(251,149)	2,049,362	-	2,049,362
Total	182,017,227	(121,488,454)	2,049,362	755,143	63,333,278

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

	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,
	2019			rate	2019
Bank overdraft and Short-term borrowings from financial institutions	155,718,585	(104,296,813)	-	755,143	52,176,915
Long-term borrowings from financial institutions	16,037,253	(6,930,252)	-	-	9,107,001
Total	171,755,838	(111,227,065)	-	755,143	61,283,916

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DECEMBER 31, 2019

	Separated financial statements (BAIIT)				
	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

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

39. RELATED PARTY TRANSACTIONS

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

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

The significant investments in subsidiaries are set out in Note 15.

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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
MERX 915 Co., Ltd.	Thailand	Subsidiary
TVD M Co., Ltd.	Thailand	Subsidiary
3-RD Co., Ltd.	Thailand	Associate
Golbal One Corporation 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.
ROP, Wirojwattanakul	Thailand	As juristic person with major shareholder as director of the Company
Dragon Louis International Co., Ltd.	Thailand	As juristic person with major shareholder as director of the Company

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

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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, 2019 and 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Sales of goods				
Subsidiaries	-	-	2,411,780	2,518,185
Service income				
Subsidiaries	-	-	41,805,289	28,777,787
Interest income				
Subsidiaries	-	-	42,904	150,000
Associate	74,966	716,986	286,988	716,986
	74,966	716,986	329,892	866,986
Dividend income				
Subsidiaries	-	-	34,124,967	22,524,979

b) Purchases of goods and services and others for the years ended December 31, 2019 and 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Purchase of goods				
Subsidiaries	-	-	5,570	33,257
Purchase of airtime for television broadcast				
Subsidiaries	-	-	42,660,280	45,019,740
Delivery expense				
Subsidiaries	-	-	262,007,526	219,666,266
Warehouse management & distribution				
Subsidiaries	-	-	69,516,159	55,934,813
Service marketing expense				
Subsidiaries	-	-	12,171,209	-
Management fee				
Subsidiaries	-	-	-	25,060,114
Other expenses				
Subsidiaries	-	-	18,395,392	14,960,842
Interest expense				
Subsidiaries	-	-	450,000	450,000

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c) Outstanding balance arising from sales/purchases of goods/services and others as at December 31, 2019 and 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable (Note 9)				
Subsidiaries	-	-	6,724,897	5,339,939
Related companies	725,647	238,075	-	-
	<u>725,647</u>	<u>238,075</u>	<u>6,724,897</u>	<u>5,339,939</u>
Other accounts receivable (Note 9)				
Subsidiaries	-	-	-	10,000
Accrued income (Note 9)				
Subsidiaries	-	-	3,657,689	762,363
Interest receivable (Note 9)				
Subsidiaries	-	-	-	18,230
Associate	33,801	385,705	33,801	174,726
	<u>33,801</u>	<u>385,705</u>	<u>33,801</u>	<u>192,956</u>
Advance payment (Note 9)				
Subsidiaries	-	-	326,893	10,862,757
Prepaid expense (Note 9)				
Subsidiaries	-	-	1,408,200	1,717,260
Deposits guaranteed for airtime rental (Note 21)				
Subsidiaries	-	-	1,339,260	1,339,260
Trade accounts payable (Note 23)				
Subsidiaries	-	-	(8,221,198)	(5,416,245)
Other accounts payable (Note 23)				
Subsidiaries	-	-	(3,215,520)	(2,449,241)
Related persons	(26,537)	(502,686)	-	(491,986)
	<u>(26,537)</u>	<u>(502,686)</u>	<u>(3,215,520)</u>	<u>(2,941,227)</u>
Accrued warehouse management and distribution expense (Note 23)				
Subsidiaries	-	-	(9,839,456)	(10,244,083)
Accrued interest expense (Note 23)				
Subsidiaries	-	-	(38,219)	(38,219)

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d) Short-term loan to a subsidiary as at December 31, 2019:

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

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, 2019 and 2018:

Consolidated financial statements (Baht)				
As at December 31, 2019				
Short-term loan to associate	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 9)	Total
3-RD Co., Ltd.	5%	9,077,862	18,698	9,096,560
Global One Corporation Co., Ltd.	5%	3,150,000	15,103	3,165,103
The answer	5%	2,450,000	-	2,450,000
		14,677,862	33,801	14,711,663

Separate financial statements (Baht)				
As at December 31, 2019				
Short-term loan to associate	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 9)	Total
3-RD Co., Ltd.	5%	9,077,862	18,698	9,096,560
Global One Corporation Co., Ltd.	5%	3,150,000	15,103	3,165,103
		12,227,862	33,801	12,261,663

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

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

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f) Short-term loan from related parties as at December 31, 2019 and 2018

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, 2019		
Short-term loan from subsidiary	Interest rate (% per annum)	Short-term loan	Prepaid interest (Note 21)	Total
TVD serviceco Co., Ltd.	3%	15,000,000	38,219	15,038,219

		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 serviceco 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, 2019 and 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Directors' remuneration	3,038,000	2,958,000	1,540,000	1,860,000
Management' remuneration				
Short-term employee benefits	24,510,233	31,117,599	16,809,738	19,967,783
Post-employment benefits	6,241,559	1,889,226	5,615,505	1,460,120
Other long-term employee benefits	272,704	91,983	244,352	60,262
	34,062,496	36,056,808	24,209,595	23,348,165

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NOTES TO FINANCIAL STATEMENTS (CONT.)
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40. Financial instruments

a) Foreign currency exchange rate risk

At December 31, 2019 and 2018, the settlement dates on open forward contracts ranged between 1 month to 6 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts were:

Foreign currency	Consolidated/Separate financial statements					
	Foreign currency contract amount		Contract rate		Baht	
	2019	2018	2019	2018	2019	2018
USD	-	164,166	-	32.73	-	5,373,153

Net fair values

The net fair values of the derivative financial instruments as at December 31, 2019 and 2018 were:

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Favourable (unfavourable) forward foreign currency exchange contracts	-	72,628

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, 2019 and 2018.

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NOTES TO FINANCIAL STATEMENTS (CONT.)
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b) Interest rate risk

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at December 31, 2019 and 2018 are summarised as follows:

Consolidated financial statements							
2019							
Baht							
	Fixed interest rate			Without interest	Total	Interest rate (% p.a. annual)	
	Floating Interest Rates	Remaining period before maturity date				Float rate	Fixed rate
		or reprising date					
		Less than 1 year	1 - 5 years				
Financial assets							
Cash and cash equivalents	153,621,776	3,613,415	-	35,754,497	192,989,688	0.125% - 0.75%	-
Available-for-sale investments	-	-	-	103,056,647	103,056,647	-	-
Trade and other accounts receivable (net)	-	-	-	169,405,963	169,405,963	-	-
Short-term loan to associate	-	14,677,862	-	-	14,677,862	-	5.00%
Restricted deposits at financial institutions	-	-	44,230,000	-	44,230,000	-	0.65% - 0.90%
Total financial assets	153,621,776	18,291,277	44,230,000	308,217,107	524,369,160		
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	-	52,176,915	-	-	52,176,915	-	2.30% - 2.75%
Trade and other accounts payable	-	-	-	566,333,417	566,333,417	-	-
Long-term loans from financial institutions	9,107,001	-	-	-	9,107,001	MLR + 1.25%	-
Liabilities under finance lease agreements (net)	-	1,089,200	960,162	-	2,049,362	-	5.00%
Total financial liabilities	9,107,001	53,266,115	960,162	566,333,417	629,666,695		

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	Consolidated financial statements						
	2018						
	Baht						
	Fixed interest rate					Interest rate (% per annum)	
	Remaining period before maturity date						
	Floating interest	or reprising date		Without interest	Total	Float rate	Fixed rate
	Rates	Less than 1 year	1 - 5 years				
Financial assets							
Cash and cash equivalents	-	199,393,552	-	20,770,933	220,164,485	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	-	-	44,230,000	-	44,230,000	0.65% - 0.90%	-
Total financial assets	-	204,143,552	44,230,000	304,838,456	553,212,668		
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	-	-	-	461,842,321	461,842,321	-	-
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	7,192,855	9,096,347	461,842,321	643,859,548		

41. COMMITMENTS

41.1 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, 2019 and 2018, 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	
	2019	2018	2019	2018
Letters of guarantee for				
Goods (Note 22)	59.97	174.48	59.97	174.48
Airtime rental (Note 21)	6.97	6.52	2.47	2.55
Electricity	1.20	1.20	-	-
	68.14	182.20	62.44	177.03

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41.2 Commitments under the agreements

As at December 31, 2019 and 2018, the Company had commitment in respect of rental and service agreements with the amount of future payment as follows:

	Baht			
	Consolidated financial statements			
	2019		2018	
	Rental agreements	Service agreements	Rental agreements	Service agreements
<u>Due within the years ending</u>				
1 year	36,868,666	57,419,993	19,671,573	184,561,959
1 year - 5 years	41,478,060	1,259,300	14,451,674	5,641,900
	<u>78,346,726</u>	<u>58,679,293</u>	<u>34,123,247</u>	<u>190,203,859</u>

	Baht			
	Separate financial statements			
	2019		2018	
	Rental agreements	Service agreements	Rental agreements	Service agreements
<u>Due within the years ending</u>				
1 year	22,974,327	27,709,993	12,631,781	111,566,209
1 year - 5 years	24,835,562	1,259,300	7,017,501	5,576,900
	<u>47,809,889</u>	<u>28,969,293</u>	<u>19,649,282</u>	<u>117,143,109</u>

41.3 Capital commitments

As at December 31, 2019 and 2018, the Company had capital commitments relating to property, plant and equipment and computer software as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Property, plant and equipment	324,466	14,008,334	324,466	4,425,000
Rights	21,630,000	-	21,630,000	-
	<u>21,954,466</u>	<u>14,008,334</u>	<u>21,954,466</u>	<u>4,425,000</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

42. EVENTS AFTER THE REPORTING PERIOD

The Board of Director's meeting No. 1/2020 hold on February 26, 2020, it had the resolution to approve.

1. Approved to propose the Annual General Meeting of Shareholders for year 2020 for approval, the investment in the shares of TVD Shopping Co., Ltd. ("TVDS"), a subsidiary company operating in the business of home shopping via television and online shopping, which the Company holds 31,849,997 ordinary shares, or equal to 65 percent of total issued and paid-up shares of TVDS, by way of purchase 17,150,000 ordinary shares of TVDS, or equal to 35 percent of total issued and paid-up shares, equivalent to Baht 152.89 million from momo.com Inc. ("MOMO") without any liens, pledges and encumbrances. In return, the Company will pay consideration to MOMO by issuing 114,773,458 newly ordinary shares of the Company with par value of Baht 0.50 each, or equal to 14.12 percent of total issued and paid-up shares of the Company at the price of Baht 1.13 per share. The total value of newly ordinary shares issued is Baht 129.69 million. The newly ordinary shares issued shall be offered to MOMO on Private Placement, together with cash payment in the amount of Baht 23.20 million.

2. Approved to propose the Annual General Meeting of Shareholders for year 2020 for approval, the increase capital amounting to Baht 57,386,729 from Baht 406,433,344 to be new registered capital of Baht 463,820,073 by issuing newly ordinary shares of 114,773,458 with par value of Baht 0.50 each in order for allotment of newly ordinary shares to specific investor on Private Placement, including to amend Clause 4 of the Company's Memorandum of Association to be in line with the said increase capital, as follows:

3. Approved to propose the Annual General Meeting of Shareholder for year 2020 for approval, the allotment of newly ordinary shares to specific investor on Private Placement to MOMO amounting to 114,757,059 shares, with par value of Baht 0.50 each, at the share value of Baht 1.13, total value of Baht 129.69 million for being the consideration of MOMO for transfer its shares held in TVDS at the ratio of 35 percent of total issued and paid-up shares.



TVD SHOPPING COMPANY LIMITED

Message

from the Management



Dear Shareholders,

TVD Shopping Co., Ltd. (“The company”) has operated since 2014 until entering its 6th year at present. Although the company encountered various problems, obstacles and challenges in the past, but the effective operations, including continuous development of knowledge and experience, have eventually resulted in the company’s success and ability to be at the forefront of home shopping business today.

As to operations during the past year, the home shopping business was quite competitive due to the entry of new home shopping operators as well as the impact of economic slowdown, which affected the product-buying behavior of consumers. However, thanks to cooperation, determination of the management and employees to work efficiently as well as support of the partners and customers, as a result, the company has been successful, able to operate and achieve the set goals.

For the year 2020, the company focuses on selling the products through television and E-Commerce channels for maximum efficiency, encouraging the generation of better incomes and profits, developing innovation as well as technology for working. The company still adheres to the principles of selecting value-for-money products and promotions, developing the channels for distribution, delivery and after sales services as well as working closely with trade partners and business partners so that the company will move forward steadily and sustainably.

Finally, the company would like to thank the shareholders, the board of directors, the management team, employees as well as business partners and all customers for support and having stayed side by side with the company always.

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 26 th , 2013
Program Name	: TVD Momo
First Launch	: June 26 th , 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 (Three Hundred Forty Five Million Baht Only)
Share Amount	: 49,000,000,000 Shares (Forty Nine Million Shares)
Paid-up Capital	: 345,000,000.00 Baht (Three Hundred Forty Five Million Baht Only)
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”

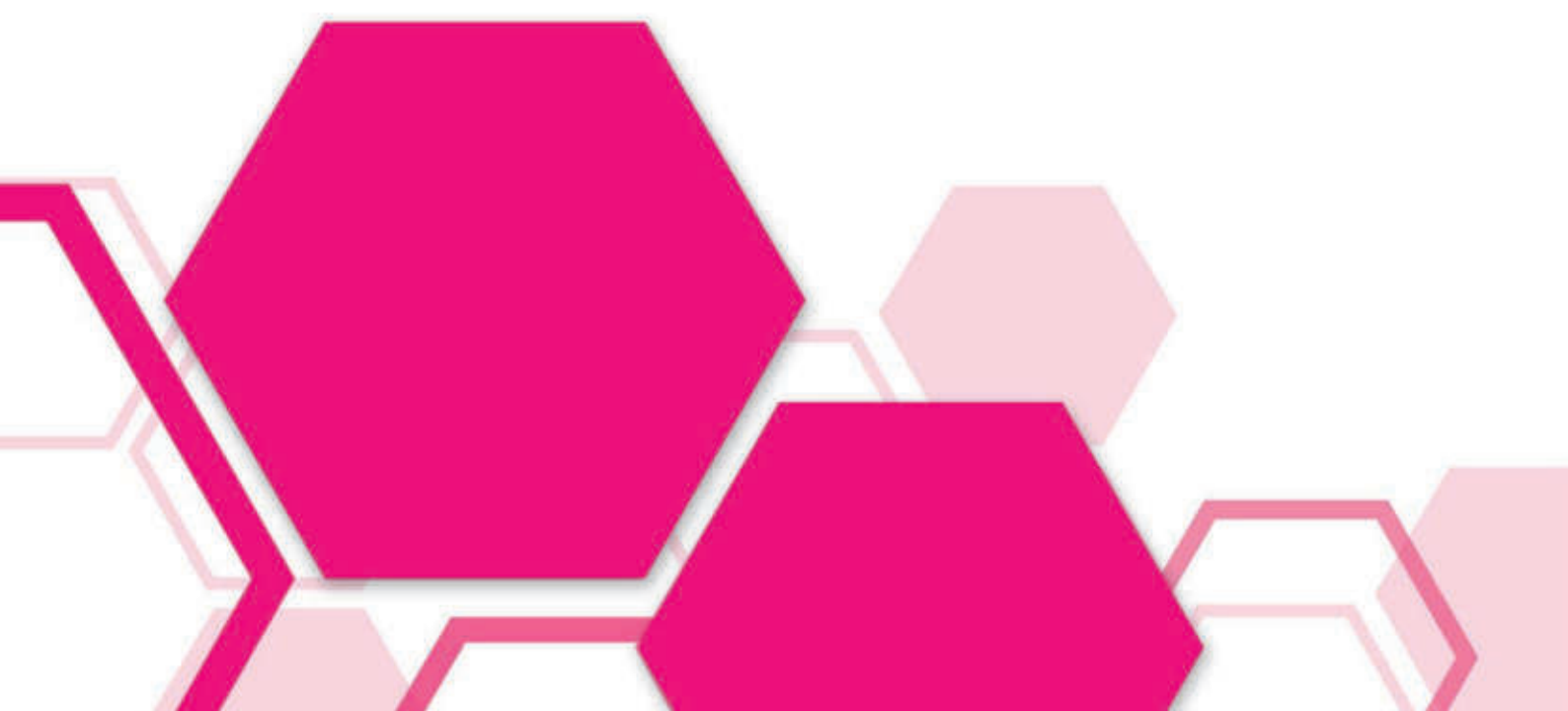
Business Scope

Home Shopping

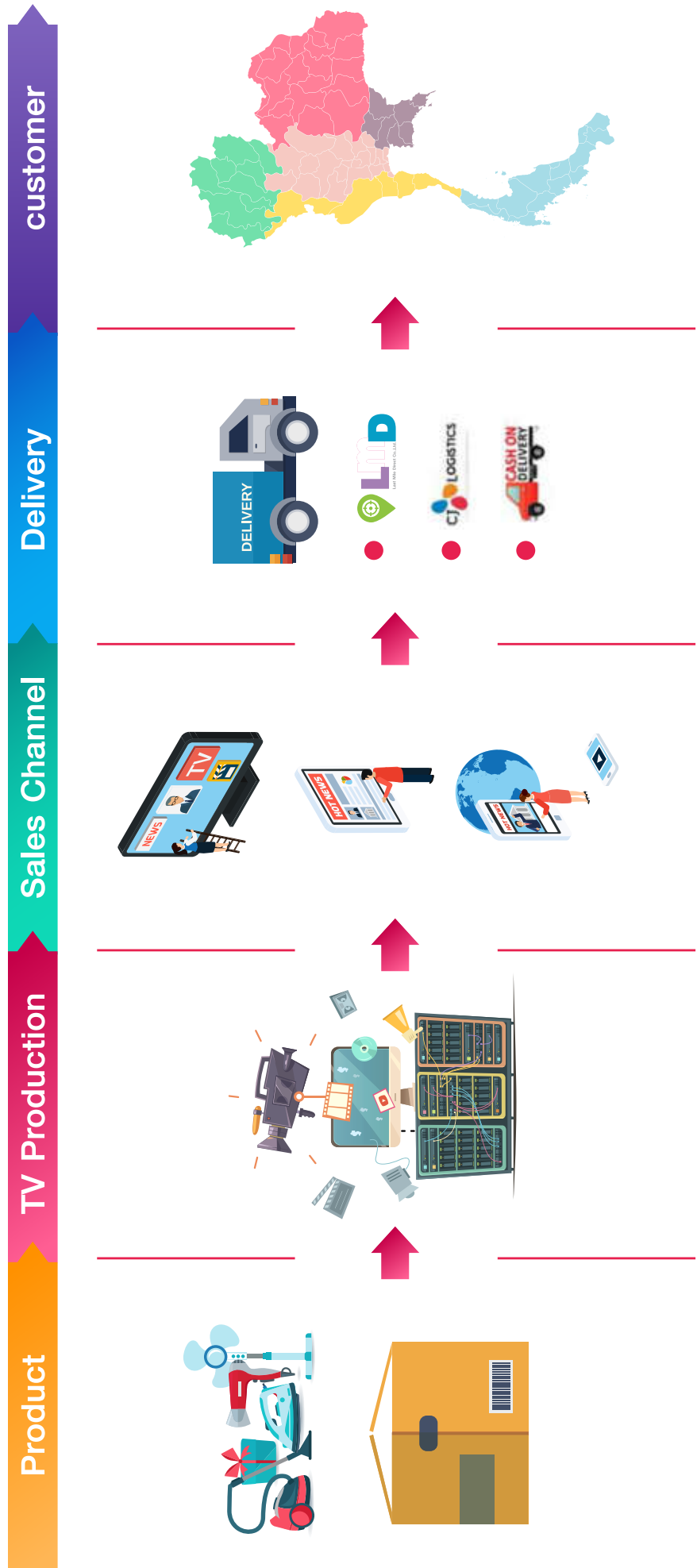
- Home Shopping Program (Live program)
- Home Shopping Channel (On air 24 hours)

Online Shopping

- Business to Customers (B to C)



Business Model





LAST MILE DIRECT COMPANY LIMITED

Message

from the Management



Dear Shareholders,

The past year 2019 was considered as another year of changes and modifications in terms of structure, work processes and increasing work efficiency. As a result, the overall performance of Last Mile Direct Company Limited achieved positive operating results as planned. I have to thank everyone involved, including all the customers and members of the work team.

For working in this year 2020, the important things that need to be corrected and accelerate the operations today are adaptation and modification to ways of thinking for the increasing competition in the market and business acceptance as well as creating the reliability for business in the long run. Major factors that must be taken into consideration and adjusted are such as 1) the use of technology and innovation to help in business management so as to build confidence of customers and trade partners, be able to check rapidly and be in line with changes in the digital world 2) availability of an extensive network of partners while changing the competitors into partners to hand in work to each other, which increases marketing channels and expands the customer base continuously 3) personnel's expertise, especially coordination with relevant parties both at home and abroad, including the need for continuous personnel development in order to be knowledgeable and diverse 4) quality of services by taking account of customers and services mainly 5) retention of current customer base due to higher competition in logistics service business, customer retention, providing counsel to reduce work processes of customers that will be the key to continuously generating income and development of services to create new customers leading to the business' growth 6) safety standards for freight transportation services, ability to assure the customers that goods arrive safely at the destination by the specified time and supervision in order not to cause damage to property. We are confident that the planned goals, work plans and operational guidelines will be able to create good impressions and satisfaction for our customers.

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 70,000,000 Baht.

Vision

Being an important alternative for logistics business in Thailand by the year 2022, 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 with faster service and competitive price.
- Improvement of workflow to be efficient, consistent and cohere in order to reduce delivery time and service costs.
- Development of warehouse / distribution center of international standard.

Business Scope

Our Services

- Warehouse Service
- Transportation Service
- Fulfillment Service



Additional Services

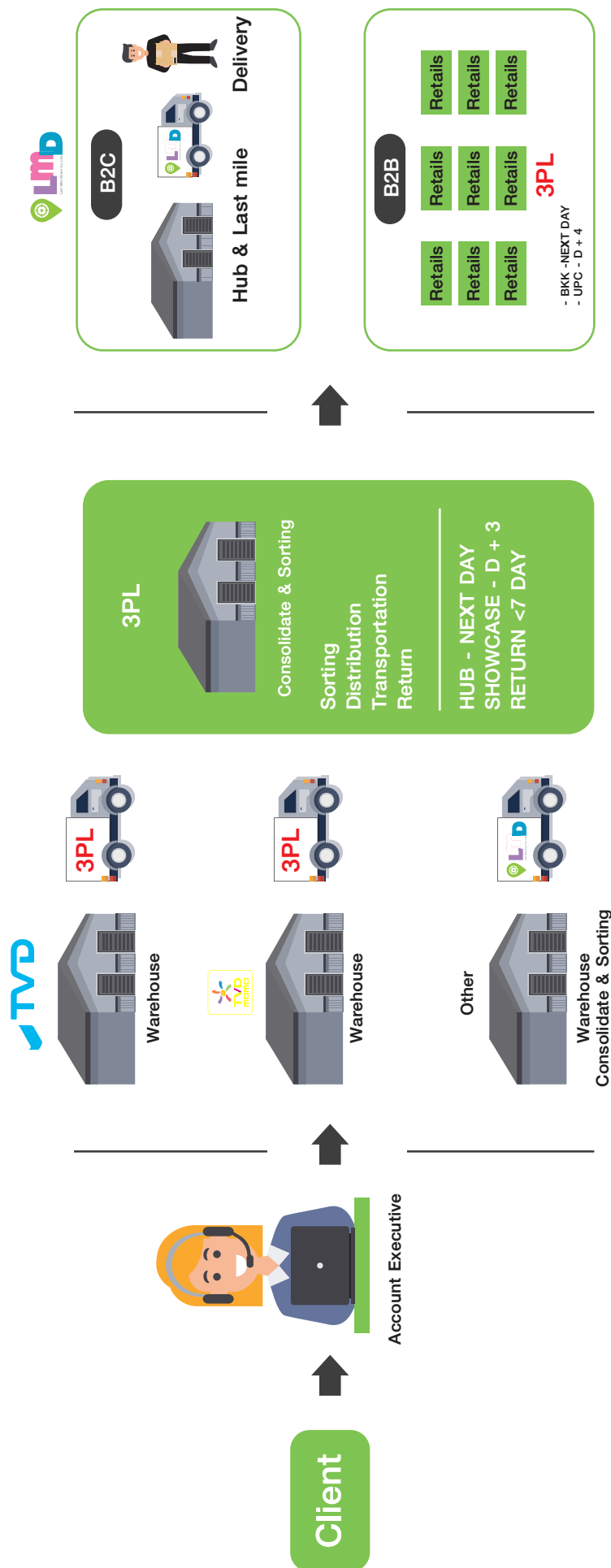
Installation service



Free re-delivery



Business Model



Message

from the Management



Dear Shareholders,

In 2019, the Company expanded services of insurance broker and B2B business. Consequently, the Company could achieve the goal on business performance as planned.

For 2020, the Company still attaches to guidelines and policies on insurance broker and B2B business operation under the goal to grow stably. We emphasize on providing good services to customers in order to build satisfaction towards services and generate returns for shareholders leading to achievement of the Company's goals. In 2020, the Company will prepare readiness on business operations in all dimensions including seeking for new partners and trading partners for expanding business, application of technology for reinforcing operational efficiency, emphasis on improving new skills of employees, expanding new channels for generating income of the Company based on cooperation with associated companies of TV Direct Public Company Limited for future growth.

Finally, on behalf of the Company, I would like to thank all shareholders, customers, trading partners, business partners, and stakeholders for consecutive support and trust given to the Company. In addition, I would like to thank Board of Directors, executive team, and employees who fully perform their duties that are considered as the important gear driving the Company to gain better performance. I highly hope that we will continuously gain good supports in the following years.

A handwritten signature in white ink on a dark blue background.

Dr. Arthit Noicharoen
Managing Director

Corporate Information

Information

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.

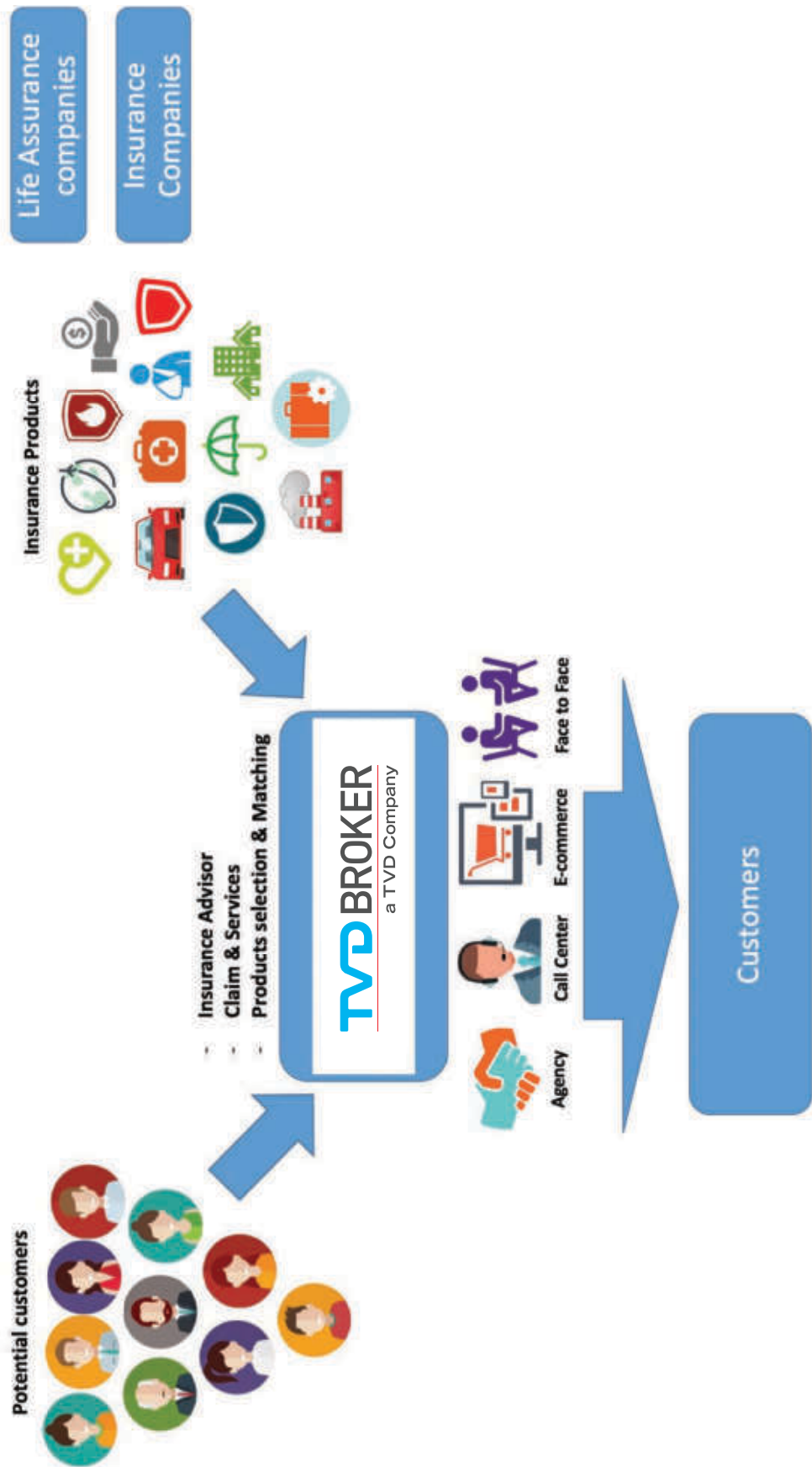
Insurance for Business Organization

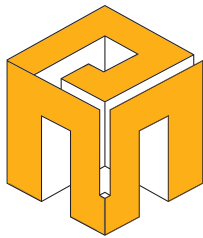
TVD Broker Company Limited offers service in consulting and advising customers in business organization or SME type such as factory, hotel, condominium, hospital, etc., in order to reduce business risks that may come from accidents, and also designing and finding the most beneficial insurance product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

Business Model





MAGIK PIVOT
DATA CENTER / ISP / COMMUNICATION

MAGIK PIVOT COMPANY LIMITED

Message

from the Management



Dear Shareholders,

As a representative of the management of Magik Pivot Company Limited (“Magik Pivot Co., Ltd.”), I would like to express thanks to all the shareholders, the board of directors, the management team, employees, business partners as well as customers for having well supported Magik Pivot Co., Ltd. and welcome the group of MIS employees from TV Direct Company who have joined the same team as Magik Pivot.

Concerning the operations in the past year 2019, although Magik Pivot Co., Ltd. encountered economic, political and competitive conditions as well as the increase in both domestic and foreign competitors, but cooperation of all employees in working as well as assistance and support from partners, trade partners and customers enabled Magik Pivot Co., Ltd. to create good operating results.

Apart from providing services to external customers, the work team also managed assistance and support services related to IT, network system, Cloud system use for the companies in TVD group to go well. Besides, a service for 24/7 system administrative support was available as well.

For this year 2020, Magik Pivot Co., Ltd. has prepared the sales team, team and new products to offer and serve the customers. There is increased confidence for customers, including service quality improvement to be in accordance with ISO standards. There is also planning for human resources development, increasing service capabilities with new and modern technology systems in order to increase the business capabilities of Magik Pivot Co., Ltd.

Finally, Magik Pivot Co., Ltd. sincerely hopes to receive support from the board of directors, the management team, employees, including trade partners and business partners for Magik Pivot Co., Ltd. to achieve success as planned.

Mr. Phiravee Charassirikulchai
Managing Director

Corporate Information

Information

Business Name	: Magik Pivot Company Limited
Company Abbreviation	: MGPV
Business Type	: ISP
Establishment	: December 14 th , 2017
Office Address	: 25/2, 4 th 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 Provider
- Communication Services

Business Model



Make it growth and success



3-RD COMPANY LIMITED

Message

from the Management



Dear Shareholders,

As to operations in the past year, including the current business situation that is changing in terms of competition in Contact Center market, 3-RD Co., Ltd. has adapted to keep pace with technological changes and be competitive in the market and be able to expand the Contact Center market to new business groups. In the past year, 3-RD Co., Ltd. emphasized the operations to improve and develop work efficiency in various services as much as possible for customers by using various technologies for the operations and increasing service skills of employees in serving the customers, including reducing unnecessary costs of working strictly so as to enable 3-RD Co., Ltd. to create effective operating results.

Additionally, 3-RD Co., Ltd. still attaches importance to information technology personnel in software development for managing Contact Center continuously by development to be able to link with various Social software. Besides, the capabilities of telephone system and CRM system have been integrated into the same system, which will enable 3-RD Co., Ltd. to increase its business capacity to expand services in managing Contact Center system for customers more effectively, increase business channels for distributing and installing this Software Contact Center System for general customers as well.

The management team and all the employees of 3-RD Co., Ltd. would like to express thanks for support of customers within the group of affiliated companies of TV Direct Public Company Limited, business partners, various customer groups that have trusted 3-RD Co., Ltd. all along. The working group realizes the opportunities and challenges of conducting business in the era of competition and rapid technological changes. Consequently, we strive for non-stop development and hope that 3-RD Co., Ltd. will continue to be a part of creating profits, rewarding all the shareholders and investors.

Mr. Yuvaboon Khamwangyang
Managing Director

Corporate Information

3-RD Company Limited has been operating a business to provide services on outsourcing, contact center, and providing consulting on direct marketing that is integrated with contact center completely. We have been operated our business since 2007 with the following proportion of shareholders: GMM Grammy 50% and Suwannahong 55 50%. In the mid of 2017, TV Direct Public Company Limited purchased shares from GMM Grammy. At the end of 2017, CNNT Company Limited that is the listed company of the Stock Exchange of Korea becomes the major shareholder by increasing the capital from 18 million baht to be 36 million baht. In the mid of 2017, the company increases capital from 36 million baht to 50 million baht. In conclusion, the proportion of shareholders is CNNT Company Limited 51%, TV Direct Public Company Limited 25%, and Suwannahong 55 18%, Mr. Songpol Shanmatkit 3% Mr. Jay Choi 3%.

Currently, our company's name is changed as 3-RD, a CNNT Company (a company providing outsourcing service, contact center service, and consulting service on direct marketing that is completely integrated with contact center as well as letting the lease/selling intelligence software for contact center and CHAT Center via CHAT BOT, Food Order, Food Tech Solution. Our product sales and services are provided in various forms as follows:

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

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

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

Vision

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

Mission

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

Value

Passion Energetic Mastery

Passion : Have passion in working and determination to achieve success for customers.

Energetic : Have enthusiasm on proactive working and teamwork.

Mastery : Have expertise on works with knowledge seeking and self-development.

Business Scope

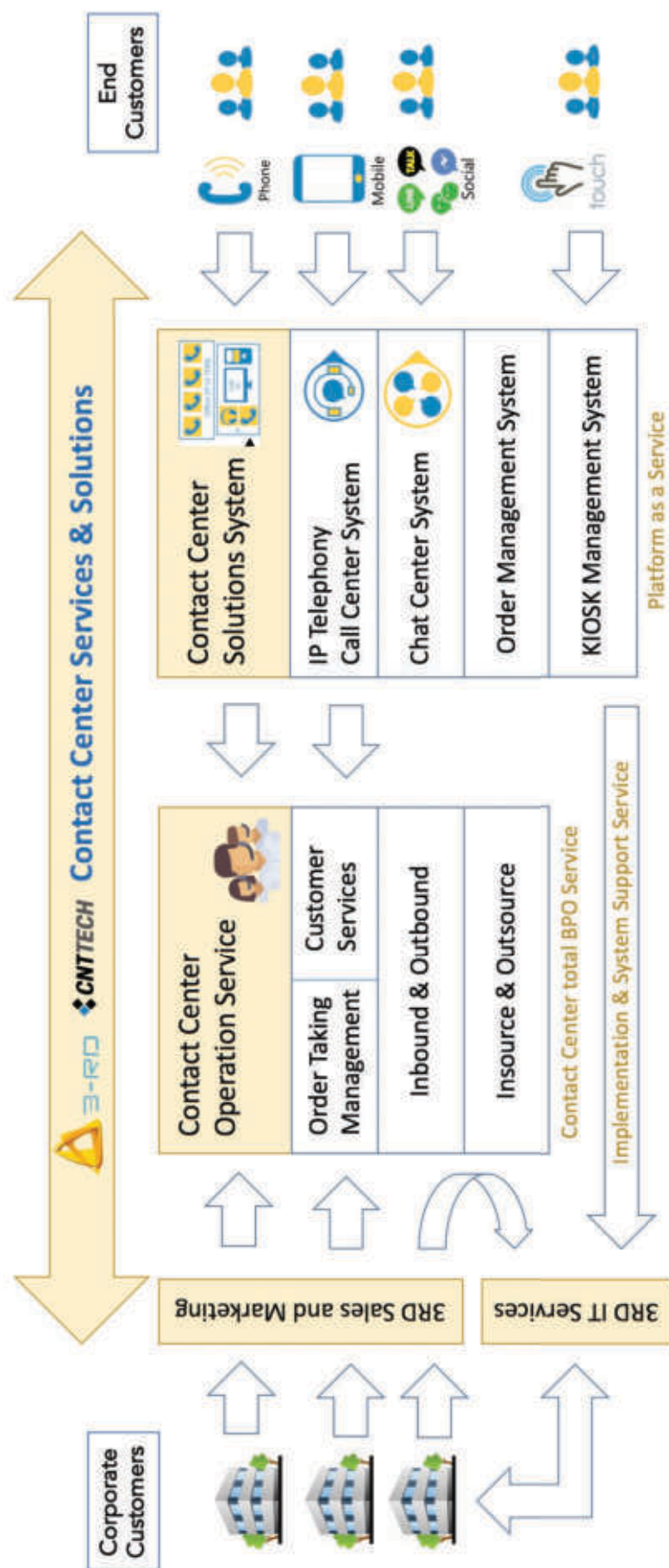
Our services are provided in various forms as follows:

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

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

Business Model





GLOBAL ONE CORPORATION COMPANY LIMITED

Message

from the Management



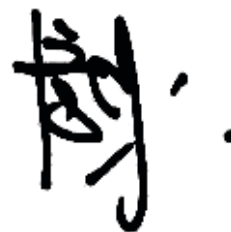
Dear Shareholders,

Global One Corporation Limited is a company of operating direct sales and direct marketing business that has been established by the gathering of executives with common vision of intention to take Thai business to expand the growth widely to foreign countries. It is realized that currently, the direct sales business and online business are interesting businesses and have different strengths as well as weaknesses. Therefore, Global One Corporation draws the strengths of both business models together by having modernity and reliability so as to enable the members to reach consumers easily, conveniently, rapidly without distance restrictions. Besides, the products can be ordered and the work line can be created easily by just using QR Codes on mobile phones. Moreover, the members can build the trust of customers through Offline Marketing concurrently. Furthermore, business plan systems conducive to business operations of customers have been developed by integrating all 3 popular marketing plans into one with Unilevel Binary and Generation marketing plans that can meet the needs of business participant members to be able to succeed in doing business rapidly and sustainably.

Apart from the outstanding marketing plans and business structure, Global One Corporation has also a concept of doing business under the principles of good governance regarding production of premium quality products and fair, transparent marketing plans. All products are manufactured in the procedure and cold extraction process by retaining the benefits of nutrients in order to get dietary supplements from natural extracts, which are highly concentrated, clean and meet GMP standards. A highly experienced product research and development team is also available.

Global One Corporation sets the growth targets within 3 - 5 years to push the business into the stock market by having the direction of doing business through Online and Offline marketing channels and focusing on creating a quality sales team with proactive marketing and various activities to boost sales such as seminars, promotions and campaigns, e.g. promotions for the members doing outstanding business within the first 6 months who can receive the lifestyle incentives fund as well as awards of travel, seminars abroad. More importantly, Global One is also preparing to give out Cash Awards worth a total of 100, 000 US \$ for people who have achieved success in marketing promotions within the first 6 months. These promotional activities are very exciting and inspiring for the members.

In the beginning, Global One Corporation established a distribution system by boosting the outstanding dietary supplement products of Global One Corporation, namely concentrated chlorophyll products, Wheatgrass and Alfalfa Extract Plus and will gradually start to sell other health care products later. Moreover, weight control as well as beauty and skin products will be added in the following years. There are also the goals of bringing business into the stock market within 3 - 5 years and taking Thai business to expand the growth widely to foreign countries with modern technology by just using fingertips. The members who are interested to do business just have a smart phone. One device can do business widely, anywhere, anytime.



Mr.Suthep Yuenyongvithayakul
Chief Executive Officer



Corporate Information

Global One Corporation Company Limited is located at No. 296 KSP Building, 2nd Floor, Rama 9 Road, Huay Khwang Sub-district, Huay Khwang District, Bangkok 10310. The company has been registered as a direct sales and direct marketing company, which combines Unilevel Binary and Generation marketing plans capable of satisfying the needs of business participant members to succeed in doing business rapidly and sustainably with simple, modern marketing plans of providing fast and high returns. Business operations have started since 1 December 2019 with registered capital of 1 million baht.

Vision

Realizing the growth of direct sales and direct marketing business (or Online Marketing) that will flourish in opposite directions. Therefore, the two marketing models are combined together to do business in a way that grows and draws each other's strengths to be applied and make a difference in running integrated business. Emphases are put on proactive online marketing that uses technology and Social Marketing media in place of traditional direct sales model alongside creation of reliable consumer base with traditional direct sales marketing strategy, namely Offline Marketing. It is firmly believed that the strategy for integrating these two distinctive marketing approaches will be able to generate sales in direct sales and direct marketing business of Global One Corporation rapidly and sustainably.

Mission

- Goal of bringing the Company into the stock market
- Encouraging the Thai direct sales industry to step toward internationalization
- Commitment to providing services and quality of life care of members by producing and selling quality natural products under GMP standard certification according to the law and focusing on management under the principles of good governance so as to bring Global One Corporation toward continuous and steady growth
- Adhering to the slogan of creating the growth for customers and internal organizations of the Company (Your Future. Our Mission - Your future is our mission.)
- Building relations between members (Community, Seminar)
- Creating a culture of product ownership for members (Brand Royalty)
- Creating a system for managing the work line and ordering the products easily and rapidly with QR Code (Hitech, OneTouch)
- Transparent, fair marketing plans (Integrity, Trustworthy)
- Taking care of and paying attention to employees as well as creating strength within the organization (Teamwork)

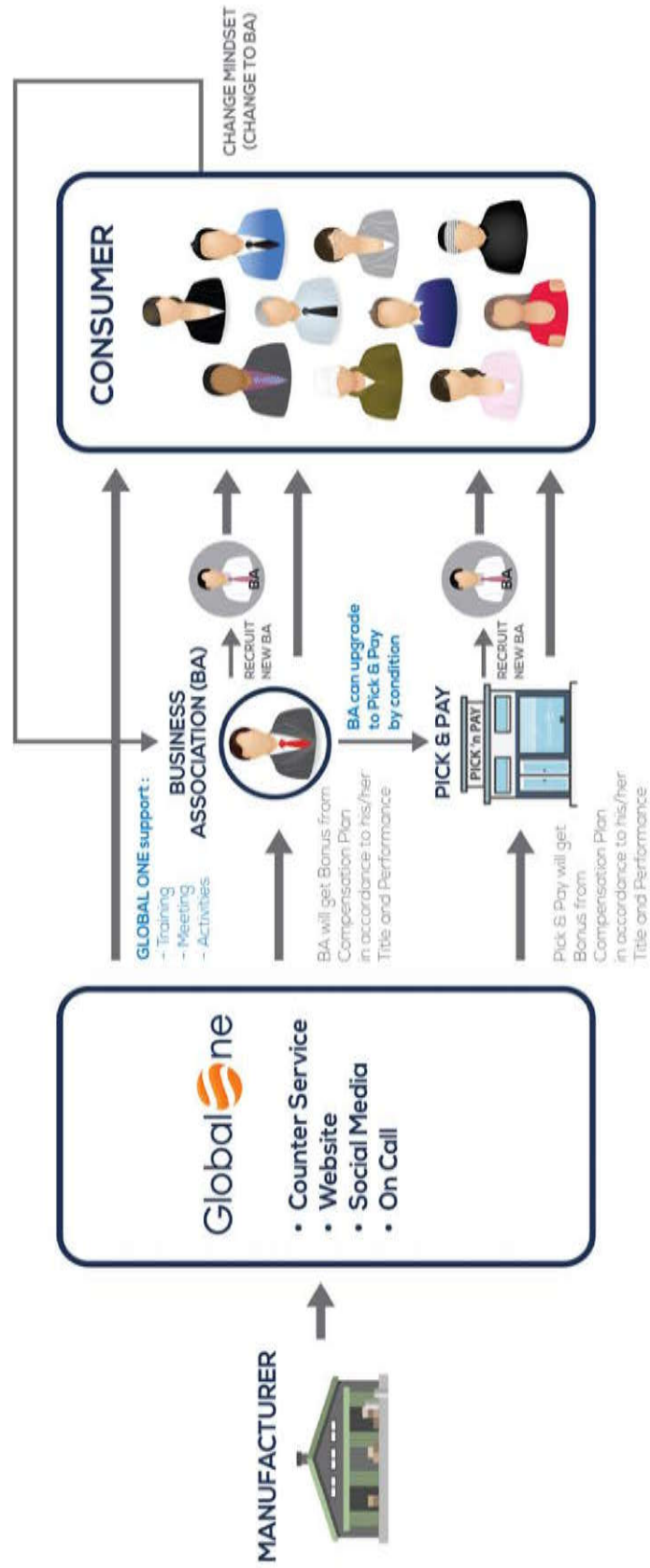
Value

- Encouraging people to be healthy and have the consummation of life
- Generating jobs and income for people

Business Scope

- Direct sales business
- Direct marketing

Global ne BUSINESS MODEL





MEX915 COMPANY LIMITED

Message

from the Management



Dear Shareholders,

The past year 2019 for MEX915 was a test of business model that marketed TV Direct products through 100% Social Media. This was one attempt to enter the era of Omni Channel. Although Social marketing has continuously encountered the problem of uncertainty in advertising media among online traders in Thailand throughout the end of 2019, however, with marketing management of using good tools and careful financial supervision, MEX915 Co., Ltd. was able to operate profitably since the first year. More importantly, we were able to help increase business sales for TV Direct too. For example, as to products of Fatis brand, we were able to increase sales per month by up to 3 times through MEX915's channels, also leading to the increase in overall sales under TV Direct of more than 5 times when compared with the beginning of 2019. All these results occurred in just 6 months from the start of operations.

Therefore, in 2020, MEX915 Co., Ltd. focuses on considerable expansion. MEX915 Co., Ltd. has started to push for full Marketing Funnel. The emphases are put on driving with our own database, developing continual value in our Customer Journey.

MEX915 is meticulous about selecting quality products and choosing the strengths that solve major problems of consumers. Additionally, the emphases are also placed on building relations with the target groups in the short and long term, developing the repeated purchases of customers, taking care of customers continuously in the long run until becoming Platform that allows the brand to understand and access "purchase behavior" of customers precisely, immediately, together with strong support TV channel of TV Direct to become complete Omni Channel O2O. With a process that can measures sales, so we are the most appropriate Platform of marketing for creating the brand and sales easily, systematically.

MEX915 believes that we will be another force, another model for preparation to step into the era of Omni Channel fully, along with sustainable growth with our own Platform.

Natakij Choopanich
General Manager

Corporate Information

Merx915 Co., Ltd. has been established on 14 Nov 2019 from a joint venture between TV Direct Public Co., Ltd. by holding 60 per cent shares and The Answers Co., Ltd. by holding 40 per cent shares with a total registered capital of 10 million baht. Merx915 Co., Ltd. operates a digital agency business to market the products via online channel, other related channels and Platform of Merx915 Co., Ltd.

Vision

“Be the leader and the only one”: We will be the leader in Omni Channel marketing with our available online strength and original media ranked number 1 in TV shopping so as to be Platform that builds the brand and sales generating the profits together with trade partners, partners and related parties in our environment.

Mission

Building Full Funnel Platform driven by our vast experience and database to be number one in services and product selling through Omni Channel by creating a competitive advantage in terms of price and quality of services that meet international standards.

Value

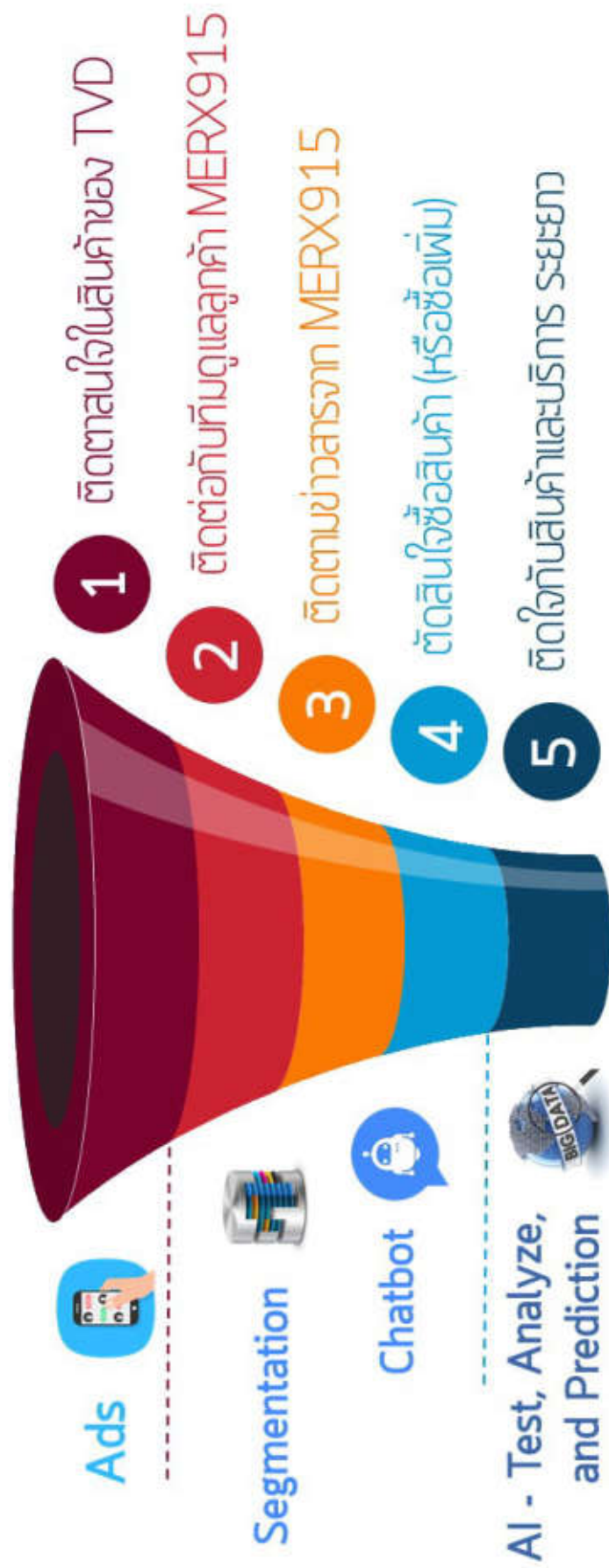
We will crave to learn what we are forever, have a mind to understand customers with humility and openness to partners wholeheartedly for mutual success.

Business Scope

Provide consulting and services on

- Advertising development service
- Product marketing service
- Product sales management service
- Long term customer service

MERX915 Business Model





TVD SERVICES COMPANY LIMITED

Message

from the Management



Dear Shareholders,

For the operations in the past year 2019, TVD Services Co., Ltd. operated a business to provide service and co-produce broadcasting or television programs for TV Direct Public Company Limited and affiliates. The operating results in the year 2019 were satisfactory.

As to operations in the year 2020, TVD Services Co., Ltd. still strives to develop the works at full capacity for driving TVD Services Co., Ltd. so as to move forward and achieve success in continuous sustainable growth.

Finally, I would like to express thanks to all the customers, trade partners, shareholders and business partners of TV Direct Public Company Limited group as well as affiliated companies for having provided good support always.

A handwritten signature in black ink, appearing to read 'W. Manapongpun'.

Mr. Wichian Manapongpun
Acting Managing Director

Corporate Information

TVD Services Company Limited (with former name as “TV Direct Indochina Company Limited”) was established on April 26th, 2010. TV Direct Public Company Limited held the shares of TVD Services Company Limited with the proportion of 99.99%.

TVD Services Company Limited formerly operated the business of holding investment in sub-companies and the company transformed business operation process to be business support service provider for TV Direct Public Company Limited and associated companies.

Presently, TVD Services Company Limited operated a business to provide and co-produce broadcasting or television programs for TV Direct Public Company Limited and its associated companies. On December 31, 2019, the company has registered capital of 40,000,000 Baht.



TVD M COMPANY LIMITED

Message

from the Management



Dear Shareholders,

TVD M Company Limited was established on 23 September 2019 by engaging in the business of distributing goods through Satellite TV, including managing advertising media from collaboration between MVTV (Thailand) Co., Ltd. and TV Direct Public Company Limited.

In the year 2019, despite only 3 months of working time, but the operating results were profitable as planned because of the amount of air time and creating an audience of all channels on the MVTV platform, especially Channel 51.

I would like to express thanks to all the customers, trade partners and shareholders of TV Direct Public Company Limited as well as affiliated companies for having provided good support always.

A handwritten signature in white ink.

Mr. Songpol Shanmatkit
Acting Managing Director



TV DIRECT PUBLIC COMPANY LIMITED

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