

ALWAYS ON THE MOVE

TVT ANNUAL REPORT 2017



ALWAYS
ON THE **MOVE**

TV THUNDER
Public Company Limited

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Message from the Chairman

Dear Shareholder

TV Thunder Public Company Limited always focuses on transforming businesses into the digital age which has played a significant role in the media and entertainment industry because the consumer behavior has fully transformed into the digital age. The Company emphasizes on human resource development, organizational management and effective technology to create contents and entertainment medias that meet the needs of consumers both locally and internationally as the Company's Vision.

The Company's performance in 2017 was still affected by the economic condition that was not fully recovered and the decline of advertising industry. The Company has been committed to creating new media and innovative that can grow and expand to the online channel. It was important that TV Thunder Official could reach 1 million subscribers and received the YouTube Gold Button Award from YouTube. In addition, the Company has invested more in digital contents and maximized resource utilization with in the organization. As a result, the company can continue to generate profitability.

The Company also focuses on good corporate governance and sustainable development. It is gratifying that in 2017, the Company was rated "Excellent" in Corporate Governance by the Thai Institute of Directors (IOD).

On behalf of the Board of Directors, I would like to thank shareholders, customers, financial institutions, and all business partners who have supported and always trusted the Company. Moreover, I would like to thank all executives and employees of the Company who have dedicated their efforts and worked at full capability. The Company believes that the potential of everyone in the Company will help in developing and leading the Company to grow steadily and sustainably. We strive to continue to generate good returns for our shareholders on business security.



Assoc. Prof. Dr. Montri Socratayanurak
Chairman

General Information

Company Name : TV Thunder Public Company Limited

Nature of Business	: The Company has produced television program and entertainment program. There are 4 main businesses including 1) advertising business from television program, 2) service business in form of production services and event organizing, 3) artist management business, and 4) production and distribution of pocketbook and advertising media.
Head Office	: 1213/309-310 Ladprao 94 (Panjamit) Sriwara Road, Phlapphla, Wangthonglang, Bangkok 10310
Registration No.	: 0107557000446
Registered Capital	: The registered capital is 250 million baht in form of 1,000 million ordinary shares with par value of 0.25 baht. Total paid-up shares are 800 million shares with the amount of 200 million baht (As of March 13, 2018)
Homepage	: www.tvthunder.co.th
Telephone	: 02-559-0022
Fax	: 02-559-0075, 02-559-3609

Other Important Information

Registrar	: Thailand Securities Depository Co., Ltd.
Address	: Stock Exchange of Thailand Building 93, 14th floor, Ratchadaphisek Road, Dindaeng, Bangkok 10400
Telephone	: 02-009-9388
Auditor	: Mr. Paiboon Tankul Certified Public Accountant No. 4298 PricewaterhouseCoopers ABAS Co., Ltd.
Address	: 15th floor Bangkok, City Tower Building, 179/74-80 South Sathon Road, Bangkok 10120
Telephone	: 02-344-1000
Fax	: 02-286-5050
Legal Advisor	: ES Counsel Co., Ltd.
Address	: 2034/78 17th Floor ItalThai Tower, New Petchburi Road, Bangkok, Huay Kwang, Bangkok 10310
Telephone	: 02-716-1717-8
Fax	: 02-716-1719



TV THUNDER

Public Company Limited

BOARD
OF DIRECTORS

ALWAYS
ON THE **MOVE**





Prof. Dr. Montri Socratyanurak

- Age** – 61 Years Old
- Current Title**
- Chairman
 - Chairman of Nomination and Remuneration Committee
 - Appointment on February 26, 2014
 - Independent Director
 - Audit Committee
 - Appointment on August 3, 2014
- Doctoral Degree**
- Economics, UNIVERSITY OF MINNESOTA, U.S.A. (government scholarship)
- Master Degree**
- Economics, UNIVERSITY OF MINNESOTA, U.S.A. (government scholarship)
 - Economics, National Institute of Development Administration
- Bachelor Degree**
- Economics, Thammasat University
- Training**
- Certification of Institute of Director (IOD),
 - Director Accreditation Program (DAP) Batch 69/2008 on February 22, 2008



Mrs. Patraporn Wannapinyo

- Age** – 57 Years Old
- Current Title**
- Vice Chairman (Authorized Director)
 - Appointment on February 26, 2014
 - Chairman of Executive Committee
 - Chief Executive Officer
 - Appointment on December 3, 2014
- Master Degree**
- Business Administration
 - National Institute of Development Administration (NIDA)
- Bachelor Degree**
- Communication Art
 - Sukhothai Thammathirat Open University
- Training**
- Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)



Mr. Sudhitham Chirathivat

- Age** – 70 Years Old
- Current Title**
- Director
 - Appointment on December 3, 2014
 - Audit Committee
 - Independent Director
 - Appointment on August 3, 2014
- Bachelor Degree**
- Electrical Engineering, University of Maryland (Cooe Park) U.S.A.
- Master Degree**
- Business Administration (Operations Research)
 - Lona University, U.S.A.
- Training**
- Thailand National Defense College, Public Private Sector Program Batch 13
 - Director Certification Program (DCP) Batch 37/2003 from Institute of Director (IOD)



Assoc.Prof. Dr.Gallayanee Parkatt

Age – 61 Years Old

Current Title

- Director
Appointment on December 3. 2014
- Audit Committee
- Independent Director
Appointment on August 3. 2014

Doctoral Degree

- M.Bus (By Research), RMIT University, Melbourne, Australia
- Ph.D. (Finance), RMIT University, Melbourne, Australia

Master Degree

- Business Administration (Business Administration – Finance), National Institute of Development Administration (NIDA)

Bachelor Degree

- Accounting, University of Thai Chamber of Commerce

Training

- Certification of Director Accreditation Program (DAP) Batch 99/2012 from Institute of Director (IOD)



Mr.Sompong Wannapinyo

Age – 67 Years Old

Current Title

- Director (Authorized Director)
- Chairman of Advisory Board
Appointment on December 3, 2014

Honorary Degree

- Television and Radio Technology, Rajamangala University of Technology Thanyaburi

Training

- Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)



Mr.Phusit Laithong

Age – 57 Years Old

Current Title

- Director
- Executive Committee
- Vice President
Appointment on December 3, 2014

Bachelor Degree

- Education (Music), Chulalongkorn University

Training

- Certification of Director Accreditation Program (DAP) Batch 112/2014 from Institute of Director (IOD)



Mr.Pirath Yensudjai

Age – 39 Years Old

Current Title

- Director (Authorized Director)
- Executive Committee
- Vice President
- Acting Deputy Vice President for Investment Development Division
Appointment on December 3, 2014

Master Degree

- Marketing Sasin Graduate Institute of Business Administration of Chulalongkorn

Bachelor Degree

- Science in Business Administration, Investments/Finance Babson College
Massachusetts, U.S.A.

Training

- Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)



Ms. Piyaporn Laithong

Age – 55 Years Old

Current Title

- Executive Committee
- Deputy Vice President for Production Division
- Appointment on December 3, 2014

Bachelor Degree

- Education, Chulalongkorn University



Mr. Natakrit Wannapinyo

Age – 34 Years Old

Current Title

- Director (Authorized Director)
- Executive Committee
- Deputy Vice President for Business Development Division
- Appointment on December 3, 2014
- Company Secretary
- Appointment on November 13, 2015

Master Degree

- Enterprise Management for Creative UK

Bachelor Degree

- Sociology and Anthropology
- Thammasat University

Training

- Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)ii



Ms. Napat Wannapinyo

Age – 38 Years Old

Current Title

- Executive Committee
- Deputy Vice President for Marketing Division
- Appointment on December 3, 2014

Master Degree

- Marketing University of East Anglia, UK

Bachelor Degree

- Communication Art,
- Chulalongkorn University



Ms. Naree Wichunakorn

Age – 56 Years Old

Current Title

- Executive Committee
- Deputy Vice President for Finance Division
- Appointment on December 3, 2014

Master Degree

- Accounting, Ramkhamhaeng University

Bachelor Degree

- Accounting, Dhurakij Pundit University

Part 1 : Business Overview

1. Business Policy and Overview

TV Thunder Public Company Limited ("the Company" or "TV Thunder") was established on November 30, 1992 with a initial registered capital of 1,000,000 baht, in form of 10,000 ordinary shares with par value of 100 baht per share. The founder was Mr. Sompong Wannapinyo who has long experience in the entertainment business. Subsequently, the Company has registered as the public company on December 2, 2014. Currently, the Company has registered capital of 250,000,000 baht in form of 1,000,000,000 shares with the par value of 0.25 baht per share. The paid-up shares are 800,000,000 shares with total capital of 200,000,000 baht.

The Company has objective to operate for producing and serving for television production, event organizer, manufacturing and distributing of pocket books, and selling advertising media. The Company's vision is to become a leading content producer on television and related media both in Thailand and at international level. The Company has the commitment to produce TV program (Contents) to be popular at the national and international standards by creating work that is useful for society and the environment, which is accordance with the Company's motto "Green Entertainment, Good Society, Good Mood"

The core business of the Company consists of 4 business units, which are 1) Advertising Business producing TV program and other entertainment programs, 2) Service Business in providing services for TV program production, 3) Artist Management, and 4) Production and Distribution of pocket books and advertising media. The Company operates under the Vision and Mission as follows.

Vision To be a leading producer of contents and media that serve customers' needs in various channels in both domestic and international

Mission

- Production : Production of content that is popular with international standards.
- Social and environment : Innovate projects that benefit the creative community and environment
- Corporate Governance : Using corporate governance to operate the Company.
- Business Partner : Finding alliances and sustainable business partners.
- Professional : Developing people to have potential for creating professional work.
- Management system : To have efficient management system.
- Innovation : Innovating by using leading edge technology to apply with the Company.

Business Overview of the Company and Subsidiaries

TV Thunder Public Company Limited operates for producing and serving for television production, event organizer, bookseller from broadcasting TV program, and studio services. The Company is committed to entertain viewers for their recreation and happiness, and insert knowledge and good motto for reminding viewers. During past 25 years, the Company has produced a variety of TV Program to meet the needs of the audience, such as Drama, Sit Com, Game Show, Variety show, Reality Show, Talk Show, and Documentary). The Company has many awards for guarantee the good quality of production over the past years such as Mekhala Awards, Manee Mekhala Awards, and TV Gold Awards etc. In addition to the Company's business operations, the Company has also invested through various subsidiaries.

■ The subsidiaries of the Company are as follows.

- Creatist Media Co., Ltd. (CMED) operates for TV production and providing services of TV production for others by focusing on the purchase of copyrights from abroad (International Format). TV Thunder Public Company Limited holds 99,995 shares of CMED, representing 99.99% of the total registered number of shares which are 100,000 shares with par value at 100 baht. Total registered and paid-up capital is 10,000,000 baht.

- EM Entertainment Co., Ltd. operates for artist management and providing services of TV production. TV Thunder Public Company Limited holds 99,997 shares of EM, representing 99.99% of the total registered number of shares which are 100,000 shares with par value at 100 baht. Total registered and paid-up capital is 10,000,000 baht.

- Big Brain Co., Ltd. (BB) operates for providing services of TV production and an event organizer. TV Thunder Public Company Limited currently owns 40,800 shares, which is 51.00% of total registered number of shares which are 80,000 shares. The par value is 100 baht per share. Total registered and paid-up capital is 8,000,000 baht.

■ The Associates of the Company are as follows.

- Moindy Digital Co., Ltd. ("MID") operates in video management on advertising media. TV Thunder Public Company Limited currently owns 10,000 ordinary shares and 7,500 preferred shares, which is 36.84% of total registered number of shares which are 47,500 shares. The par value is 100 baht per share. Total registered and paid-up capital is 4,750,000 baht.

- Triple S Interactive Co., Ltd. ("TPS") operates in online game business and software development for online game.. TV Thunder Public Company Limited currently owns 25,000 ordinary shares, which is 50.00% of total registered number of shares which are 50,000 shares. The par value is 100 baht per share. Total registered and paid-up capital is 5,000,000 baht.

Group Structure



2. Nature of Business

The core business of the Company consists of 4 business units, which are 1) Advertising Business producing TV program and other entertainment programs, 2) Service Business in providing services for TV program production, promotional campaign, and studio services and plan media VDO online, 3) Artist Management, and 4) Production and Distribution of pocket books and advertising media. The Company operates under the Vision and Mission as follows.

2.1 The Nature of Products or Services

The Company and CMED operates for commercials business of TV production by sub leasing airtime television from broadcast station or channels to broadcast TV program which the Company has own copyright. While, TV program produced by CMED are the copyrights purchased from abroad so the production format cannot be changed except approval from the copyrights owner. The television airtime bought by the Company and CMED from broadcast stations can generate revenue for the Company by selling partial airtime to customers who want to advertise, promote products and services. The compensation paid to the stations will vary according to agreed conditions such as sub-lease airtime payment, payment based on share of the revenue from advertising (Revenue Sharing) or compensation in form of sharing commercials airtime to stations for stations' commercials (Time Sharing) etc. The Company can generate revenues only when TV programs produced by the Company broadcast at the stations. Customers will check the broadcasting time of TV program that they purchased for advertising products or services, together with company documents as proof of broadcasting such as tape or CD recording etc. In 2017, the Company and CMED has produced and broadcasted for 14 programs, which are divided into 5 categories as follows

- 1) **Game Show** is TV program which invites guests who can be an artist or an audience to play games or answer quiz e.g. academic quiz, rapid problem, gambling in order to receive rewards and cash prizes.

- 2) **Reality Show** is TV program that arranges contest by inviting talent home audiences to the competition in order to receive rewards and cash prizes.
- 3) **Dating Game:** is TV program that participants, both men and women, have rights to decide to date with each other.
- 4) **Variety Show or Variety Talk Show** is TV program that the main host will have conversation with guests on different topics or issues.
- 5) **Sitcom** is Comedy drama which the characters in the story will meet unforeseen circumstances that is varied in each episode.

2.2 Business and Marketing Strategies

TV program production generating revenue from advertising

- **Study the market and the needs of television viewers in Thailand.**

The marketing team of the Company regularly makes inquiries to the television station and customers who want to promote their products about trend and popularity of TV program that they love to watch so that the Company can modify program for each airtime period for more entertaining to the viewing audience. It also avoids the monotony of the content and present more attractive and interesting content all the time. In addition, the Company has quality creative team who has long experiences in entertainment business to create new TV program that serve needs of consumers. The Company is trying to insinuate ideas of the society development to TV program by aiming improve society to be a good society which is consistent with the company's slogan "Green Entertainment, Good society, Good mood"

In addition to trend market study, another factor that cannot be ignored is consumers (audiences) who are important key performance indicator of company business. The success of television production business is measured by the popularity of the show, called Rating which is measured by The Nielsen Company (Thailand) Company Limited. When the programs are popular and have a lot of audiences, the advertising rate of such program is likely to rise as well. Thus, programs that have many viewers affects to advertising airtime of such program since this will very attractive to advertising agency and entrepreneurs who want to promote products and services (Direct Customer). The Company has to devise exotic and interesting TV program to TV audiences. The aim is to produce TV program that is popular among many viewers.

- **Quality of Operations**

Any kind of business, the quality of the work presented to the eyes of our customers is of utmost importance. The Company gives the first priority to quality in every part of operations since entertainment business is a kind of art, which need to pay attention into details and various elements. This type of business needs expertise and experiences in production planning, monitoring, controlling and continuous evaluation of performance. The Finance Department is responsible for the disbursement of TV program; for example, budget is estimated for TV program that was produced by the Company and team has to manage all related expenses within the budget. The Production Department is responsible for overseeing the production, scene features, camera, lighting, filming location to meet the standard and its work's objective. After filming was completed, it requires editing team who

has expertise and experience to edit tape by using of modern technology in its operations. All of the tapes released to the public can reflect the attention and commitment to the work of the Company as well.

- **Presentation to TV stations and selling TV Advertisement of the Company**

Advertising revenues which arise from a television production company must be approved by the various TV stations since production company has to buy time to broadcast which the acquisition forms of broadcast can be divided into 2 types: 1) Design all TV program and present to TV stations for buy airtime and 2) TV stations inform the required type of TV program and time period to the Company which the conditions of contract will vary by each TV station ;for examples, the Company pay leasing for airtime or share revenue from advertising (Revenue Sharing) or share advertising time to TV stations which will be sold by TV stations themselves (Time Sharing). The Company can generate revenues only when TV programs produced by the Company broadcast at the stations. When the Company receives airtime from TV stations, potential marketing team, who has long term relationship with customers both agency and direct customers, will present performance of the Company to customers to gain advertising revenue. The Company has various forms of selling time for TV advertisement and customers can select preferable period of time that is consistent with advertised products; for examples, buying specific time of advertisement of one TV program through advertising sports or buying airtime in package which products or services can be advertised in many forms and many TV programs so that such advertisement can reach audience widely. The customers have to prepare advertising spots with agreed time and condition to the Company for broadcast.

- **Pricing policy and sales promotion**

For pricing of advertising time in each program, The Company considers to have a standard price based on production costs, airtime and popularity of program. The price depends on negotiation between customers and the Company based on market price that is competitive with the market. The Company also set policy for giving cash discount to customers who pay before due date and giving rebate to customers for agreed purchase amount of advertising time. Regarding sales promotion, The Company sells advertising time in packages, which meet the needs of customers better by enabling customers with limited budgets to advertise in multiple forms and increasing flexibility and meeting customers' demand.

Strategies for operations and marketing of service business

Regarding service business, marketing and production team have to present the Company to potential customers who demand for the services of the Company by using strategy for operation and marketing as follows.

- **Studying customer needs**

The services of the Company can be divided into 2 types which are production of TV program (service for design and production under the concept of customers) and Event organizer or media advertising and related advertising. The Company will study target audience and satisfaction of employers to serve their needs by dividing into 3 types of operations:

- The production of TV program: the Company has been hired to design and production of TV program. In this type of service, the Company needs to study type of program that employers need including providing feedback to employers on production costs so as to not exceed budget set by employers and feedback about the shooting to coincide with a design concept.

- The production of TV program: the employer define concept of program. In this type of service, the Company has responsibility to make a production that is in line with the concept determined by employer. During production, the company needs to be discussed with the employer about the overview of program, scene, and lighting and sound system, including the provision of performers and presenters in order to meet the needs of the employer.
- Event organizer and advertising management: The Company needs to study the needs of employers about promoting activities in various forms before the Company presents works and performance with the employer in order to compete with other competitors in the segment. The company is responsible for managing the public relations, designing of advertising media, coordinating with other agencies and organizing event.

◆ Quality of Operations

Regarding the service of TV production, customer satisfaction is important to reflect on the quality of the company. For the quality control, executive of the Company has participated in examination of quality and continuously inform the production progress to customers. Such operation will help customer about time and cost management and lead to customer satisfaction and long-term service with the Company. With the quality and performance of the Company was recognized for over 25 years through more than 200 television shows to the public, including continuously award-winning from TV program produced by the Company, this emphasizes quality, efficiency, and success in entertainment business. Therefore, it can be said that the ability of personnel and management system of the Company are key components to company's success in the business of television production until now.

In addition, the standpoint of management team is to produce a television program (content) that are of international standard and also create good things to return to society. This brings all departments together in presenting quality work to the public.

◆ Pricing policy

The Company set a price of service for TV production by considering the cost of production plus a mark-up profit. Mostly, customers normally identify list of budget to the Company and The Company is responsible to design and offer to customers. The budget may be revised in accordance with the customer satisfaction. However, the company considers the budget to assess the ability to manage production costs before getting a job at all times. Pricing is set based on market price which is competitive with other competitors in the segment.

◆ Overview of Advertising Industry (USE NUMBER FROM Media agency associatin)

Total spending for advertising industry in 2017 has declined by 11% from 2016. The amount of advertising spending in 2016 is 108,000 million baht, which is lower than the amount in 2016 of 121,000 million baht. The advertising spending for analog television is 37,700 million baht, which is lower than the amount of 47,151 million baht in 2016 by 20%. The advertising spending for digital television is 20,000 million baht, which is lower than the amount of 20,393 million baht in 2016 by 2%. The advertising spending for cable television is 2,600 million baht, which is lower than the amount of 3,465 million baht in 2015 by 26%. The advertising spending in 3 main media

including newspaper, magazine, and radio have also decreased. The advertising spending for newspaper is 10,600 million baht, which is lower than previous year by 25%. The advertising spending for magazine is 2,100 million baht, which is lower than previous year by 34%. The advertising spending for radio is 4,500 million baht, which is lower than previous year by 25%.

However, the advertising spending for some medias have increased from previous year. The advertising spending for cinema is 5,700 million baht, which is higher than previous year by 5%. The advertising spending for outdoor is 6,200 million baht, which is higher than previous year by 9%. The advertising spending for transit media is 6,100 million baht, which is higher than previous year by 14%. The advertising spending for internet is 11,774 million baht, which is higher than previous year by 24% (Source: Media Agency Association of Thailand). The overall decrease of 11% in advertising spending is from economic condition as well as the incident in October that all broadcasting was stopped for 21 days (Oct 9 – Nov 29) for showing our condolence. After the resume of broadcasting in October 30, the advertising spending was under pending for the year 2018.

The data from the share of advertising spending shows that the advertising spending for television is the highest amount of 56% of total advertising spending.

Share of Advertising Spending in 2016-2017

Source: Media Agency Association of Thailand

Advertisin Media	2016		2017		% +/-
Analog TV	47,151	39%	37,700	35%	-20%
Cable/Satellite TV	20,393	17%	20,000	18%	-2%
Digital TV	3,465	3%	2,600	2%	-26%
Total TV	71,040	59%	60,300	56%	-15%
Radio	5,984	5%	4,500	4%	-25%
Newspaper	14,076	12%	10,600	10%	-25%
Magazines	3,197	3%	2,100	2%	-34%
Cinema	5,445	5%	5,700	5%	5%
Outdoor	5,666	5%	6,200	6%	9%
Transit	5,337	4%	6,100	6%	14%
In Store	703	1%	910	1%	29%
Internet	9,477	8%	11,774	11%	24%
Total	120,925	100%	108,184	100%	-11%

● TV Stations

Currently, the television stations who operates free-to-air television for nationwide (Free TV) are as follows.



As of December 2017, according to AGB Nielsen Media Research indicates that Channel 7 and Channel 3 have the higher market share of revenue and the number of viewers than the others. However, other TV stations have not stopped and modified to enhance the competitiveness so as to catch Eye Ball from viewers. Each TV stations has modified TV program and added new TV program to increase the popularity of television viewers. Thus, an increase in digital TV channels leads to more intense competition in television stations, especially quality. Due to the popularity of consumers have changed over time, TV operators are necessary to update TV program regularly.

● TV Producer

In the business of television production, the emergence of digital TV resulted in an increase in distribution channel. It also reduces the reliance on the station. However, when the market grows up, the entry of new TV produces tends to rise as well. In television production, experiences, quality and relationships are the primary factors that TV station considers to work with or to provide an opportunity to work together. Based on the same principle of operation, The Company must have a strong creative team who can present an attractive work and well-tuned to the station and viewers with quality.

● Competition

For the competition in TV production business, in addition to the Company, there are other famous producers for traditional analog television as well as other producers for digital television. Each producer will have expertise in different program format based on the creative team of each company who tries to design diversified and interesting TV program in order to attract more audiences. Therefore, the Company focuses on the programs with creativity in format, content, entertainment, social and environmental responsibility. The Company has well-experience and high quality working team who can create and select the programs satisfying the needs of consumers. The Company has a good planning in production in order to control cost and quality of the programs.

In 2016, the Company has more number of available studios from the opening of TVT Green Park Studio for 3 studios. Totally, the Company has 5 studios for production that is better in controlling cost and quality of programs.

2.3 Target Customers

◆ Revenues from advertising

Advertising revenues arise from the television production business. The major customers of the Company are divided into 2 groups.

1) Customers who own products and services (Direct Customer)

This group of customers is customers who own products directly which are private companies or owners who are interested in public relations or advertising through television advertisement. The direct customers will coordinate directly with the Company to buy advertising time for each program of the Company. As of year-end 2017, the Company had revenue from customer-owned products (Direct Customer) at 46.10% of advertising revenues.

2) Advertising Agency

Advertising Agency is the Company operating for advertising management which agency was hired by the owners (clients) to handle public relation and advertising channels to promote products and services. Advertising agency acts to plan, coordinate and schedule the right period of time for advertisement to the product. Most of the advertising agency will buy advertising time from the Company in form of a "package" to promote the product. The "Package" is a selection of advertising and public relations in its various forms, variety of TV show. The various selection of time range is one of marketing plan. Buying advertising is in the form of futures contracts from 1 month, 3 months, 6 months or 1 year. All of this depends on the allocation of advertising agency and advertising budgets. As of year-end 2017, the Company had revenue from advertising agency at 53.90% of advertising revenues

The Company can collect money from customers when the advertisement of customers has already been aired. The Company will send the documents for confirmation of broadcast and CD recording in case of dropping advertising sign in a show and billing documents.

Proportion of Revenue from Advertising by Customer Group during 2015-2017

Customer Groups	Consolidated Financial Statement		
	2015	2016	2017
Direct Customer	40.64%	29.31%	46.10%
Agency	59.36%	70.69%	53.90%
Total Revenues from Advertising	100.00%	100.00%	100.00%

Source : Information from the Company

● Revenues from services

The customers who hire a TV producer is customers who are interested in television production, including TV stations, owners of products or services who cannot produce because of internal restrictions. The production of TV program may be employed in the form of Project (Project) such as the outsourcing for production of advertising spot of chili paste Mae Pranom, production of drama, production of a TV show by episode etc. In addition, regarding event organizer or activity, the group of customers is owners, private companies, public sector, and television stations such as Media Management OTOP Phayao Province etc. This type of work can be performed in a variety forms. The conditions for getting the job can be divided into 2 main types: 1) Public sector: using bidding process to compete with other producers, and 2) Private sector: the Company will present directly to the customers. If the company's work is accepted, the Company will be hired and responsible for such assignment.

Revenue from Rendering of Services during 2015-2017

Customers	Consolidated Financial Statement					
	2015		2016		2017	
Design and Production	32.25	16.98%	35.63	17.93%	57.85	28.82%
Production Only	144.82	76.24%	157.51	79.27%	106.00	52.81%
Event Organizing and Others	12.89	6.78%	4.22	2.12%	25.59	12.75%
Studio Services	-	-	1.33	0.67%	11.27	5.62%
Total revenues from rendering of services	189.96	100.00%	198.69	100.00%	200.71	100.00%

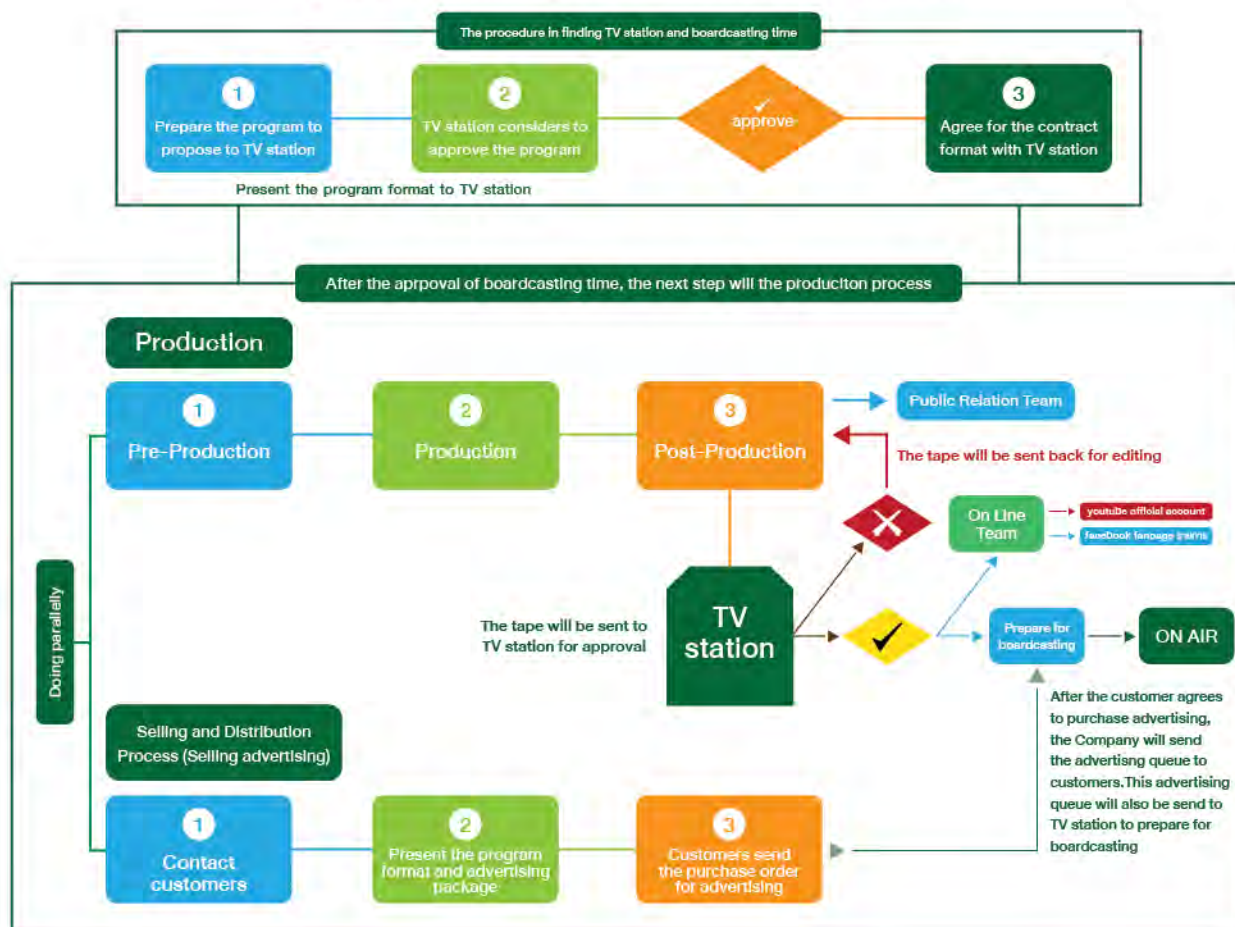
Source : information from the Company

2.4 Procurement

2.4.1 TV Production

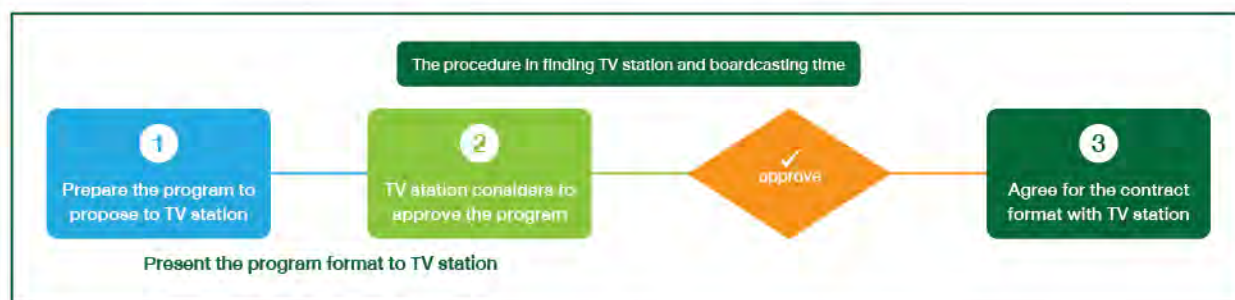
For TV show production to make money from selling airtime to customers who are interested in advertising products, the Companies must contact the TV station to present the program. The station will consider the appropriateness of the program before approving and providing the appropriate time for such items. The cost of operating in the advertising revenue consists of the airtime fee of the station, licensing fees for international format, the cost of actors and moderators, production, staffs and equipment used in production. The company needs to hire outsourced who specialists, such as camera crews, lighting and sound systems to help the team. make the better quality works. This part is considered as the operating expenses of the company. The process to get the airtime for the sale of advertising can be divided into 3 stages, namely, the selection process for TV station and broadcasting time, production process, and distribution process.

Figure illustrating the procurement process



Step 1 : Selection of TV Stations and Boardcasting Time

The broadcasting channel for the production of television programs to generate revenue from the sale of airtime to promote the goods for the customer is the TV station. To acquire the airtime, Companies need to recruit TV stations and broadcast airtime. The selection process is as follows.



1.1. Preparation for Presenting to TV Station

The Company must be prepared to create interesting and popular programs. In the preparation stage to present to the television station, the Company will discuss with the station and its customers to gather ideas for the development of the show format to satisfy the viewers' satisfaction including the target group of the company. After the design of the program has been completed, the concepts will be provided in the form of

presentations, storyboard, or video to present to the TV station. The format of TV program can be divided into six categories: Game Show, Quiz Show, Reality Show, Sit Com, Variety, and Drama.

1.2. Approval Process for Airtime

After presentation of program format to TV station, the station will consider the appropriateness of the transaction through four main issues: 1) the format of the program; 2) the content of the program; 3) the attractiveness of the program; and 4) the quality and potential of the producers. The station will consider all 4 factors to find the appropriate time slot, the station will approve the broadcast. The first three factors determine the date and time that the program will be broadcasted. Therefore, if the program can attract a large audience, the return on advertising will also be higher.

1.3 Contract Format with TV Station

After the Company was approved by TV station to produce the program for broadcast, the next step is to sign the contract with the station. Currently there are 3 types of contracts 1) Purchase of airtime from TV station; 2) Time sharing contract with TV station; 3) Revenue sharing with TV station, with the following details

- **Purchase of Airtime from TV Station**

The purchase of airtime from TV station is the purchase of airtime for broadcasting TV program produced by the Company. The Company is responsible to pay for airtime as agreed. The contract will specify the airtime, the applicable period, and the price agreed between the Company and TV station. Some TV stations may determine the format of advertising e.g. the number and the size of banner, the number of VTR used during the program, etc. Currently, the Company has this type of contract for the program like At Nite Variety.

- **Time Sharing Contract with TV Station**

For the time sharing contract with TV station, the Company does not need to pay for the airtime but will share the time for advertising with TV station. For example, if the program length is 1 hour, the Company can allocate 10 minutes for advertising. This 10-minute time will be shared with TV station for selling the advertising. This time sharing is considered as the compensation for airtime. The amount of time sharing depends on the negotiation between the Company and TV station. Both the Company and TV station will determine the same advertising rate to sell to customers. Currently, the Company has the time sharing contract for the program like Master, Vetee Jaeng Kerd, Luangta Mahachon

- **Revenue Sharing with TV Station**

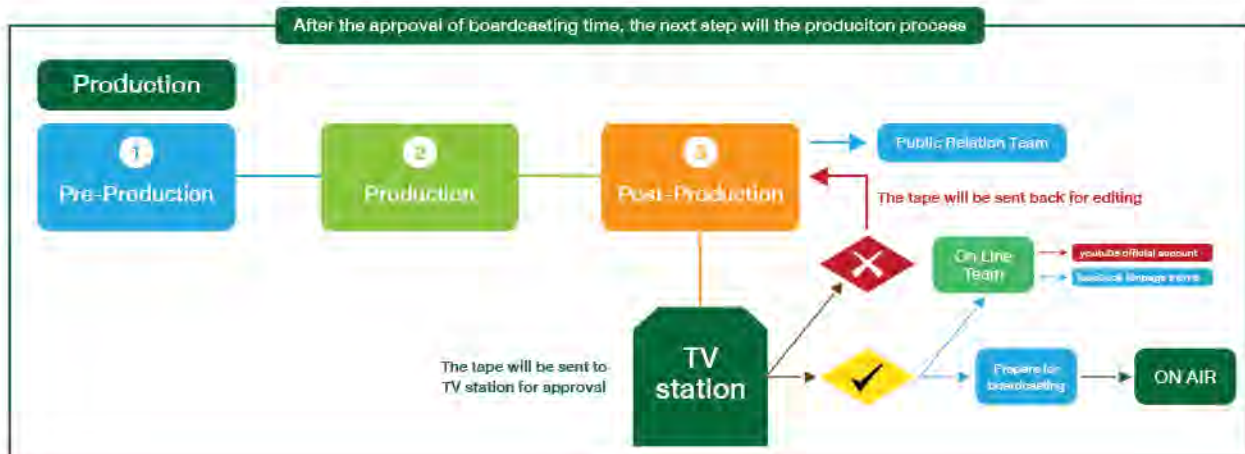
For the revenue sharing with TV station, it is similar to time sharing contract. However, for revenue sharing, the Company and TV station will jointly sell the advertising. The revenue from advertising will be shared based on the agreed proportion. The Company and TV station will determine the same advertising rate and discount for customers. Currently, the Company has the revenue sharing for the program like Take Me Out Thailand.

Step 2 : TV Program Production

After getting approval from TV station, the next step is the production. The production process can be divided into 3 steps which are pre-production, production, and post-production.

2.1 Pre-Production

After getting approval for airtime from TV station, the Company will prepare for production and set the budget for production. There will be many teams who are responsible for controlling the production in each step.



The Creative Team raises the idea for the program. After getting the storyline, the next step will be to summarize the theme of each episode by laying out the storyline of each production tape, making scripts for the program, and developing the story board used for discussions with the production team. In addition to preparing for the production, the budget planning for the production is also an important part of the operation. Each program will have a different budget depending on the Production's size.

The Production Team can be the internal production team of the Company or the external specialized teams, such as lighting systems and camera systems. The Company focuses on the best quality by hiring external teams for the work requiring variety, quality and up-to-date. The Company will select the contractors based on the experience and capability. The tools and equipment used in the production such as props and clothing will be prepared by the production department of the Company. The equipment is stored proportionally and have the team to maintain to ensure the availability of equipment before use.

2.2 Production

The company has set up the team that specializes in developing the contents in a variety of ways to meet the demand of viewers and TV station. This team will research, look up and invent the format of the program. After getting enough quality program, the program will also be proposed to the various platforms that the Company considers appropriate. When it was approved to produce the program, the production crews will begin the preproduction process and select the actors.

The field team will explore the shooting location. And the date of filming. The filming can be divided into 2 types: 1) Studio Filming and 2) Outdoor Filming.

- Studio production. The team needs to be prepared for locations. The main things to prepare are the scene, lighting and atmosphere, position of the camera as well as the direction of movement of the camera to change the angle at the specified point. All involving staffs will prepare before, then proceed to shoot the program as schedule.

- Outdoor production can be divided into 3 types as follows.

- ENG (Electronic News Gathering) : This uses the single camera shooting suitable for work with mobility. This filming is suitable for news and documentaries
- EFP (Electronic Field Product) : This uses more than one cameras in filming. All camera are connected by cable to the switcher so that different camera angles can be selected. This filming is suitable for the talk show / variety show.
- Mobile Unit: This filming is similar to EFP and studio filming. The equipment is installed in OB car (Outside Broadcasting). This filming is suitable for live / drama.

The most important part of production is controlling the works within the specified time and budget. Moreover, the quality of production must meet the standard.

2.3 Post-production

The final step before sending the tape to the station for broadcast is that the production crews must deliver the tape to the editing team for editing, sequencing, and adding sound. To attract the attention, it may use various effects including graphics to make the program more complete. After the company has completed the tapes for broadcast, the tape will be forwarded to the station to check for the content before broadcast. If the station wants the Company to modify some content, the station will inform the Company to edit the content. If there is no problem, the tapes will be forwarded for broadcast.

Step 3 : Selling and Distribution Channel

After getting approval for airtime from TV station, the Company will sell the advertising time of the program together with the production. The sales team is responsible for selling advertising time to interested customers. The method of distribution is divided into 2 types: 1) The company sends the sales team to contact the product owner directly. 2) The company contact the advertising agency to present the format of the program as well as the airtime of the program and the advertising packages. We can summarize the steps to sell advertising time as follows.



3.1 Contacting Customers

The main customers of TV production can be dividend into 2 groups which are

● **Direct Customer**

This group of customers is customers who own products directly which are private companies or owners who are interested in public relations or advertising through television advertisement. The direct customers will coordinate directly with the Company to buy advertising time for each program of the Company.

● **Advertising Agency**

Advertising Agency is the Company operating for advertising management which agency was hired by the owners (clients) to handle public relation and advertising channels to promote products and services. Advertising agency acts to plan, coordinate and schedule the right period of time for advertisement to the product. Most of the advertising agency will buy advertising time from the Company in form of a "package" to promote the product.

The "Package" is a selection of advertising and public relations in its various forms, variety of TV show. The various selection of time range is one of marketing plan. Buying advertising is in the form of futures contracts from 1 month, 3 months, 6 months or 1 year. All of this depends on the allocation of advertising agency and advertising budgets.

3.2 Presenting the Format of the Company and Advertising Packages.

The Company will present the format to its customers by visiting to present by its marketing team. The advertising time must be in accordance with Broadcasting and Television Business Act, BE 2551 (2008), Article 23 which is during 1-hour broadcasting time the advertisement can be sold for 10 minutes. There are 2 types of selling advertising as follows.

- 1) The advertising in form of Spot during the advertising break of the program
- 2) The Advertising Package including the advertising in form of Spot during the break and the advertising during the program (Media Tool) e.g. banner, reward banner, podium, and scene, etc. The revenue from advertising during the program is paid to the Company without sharing with TV stations. Most customers should the advertising package.

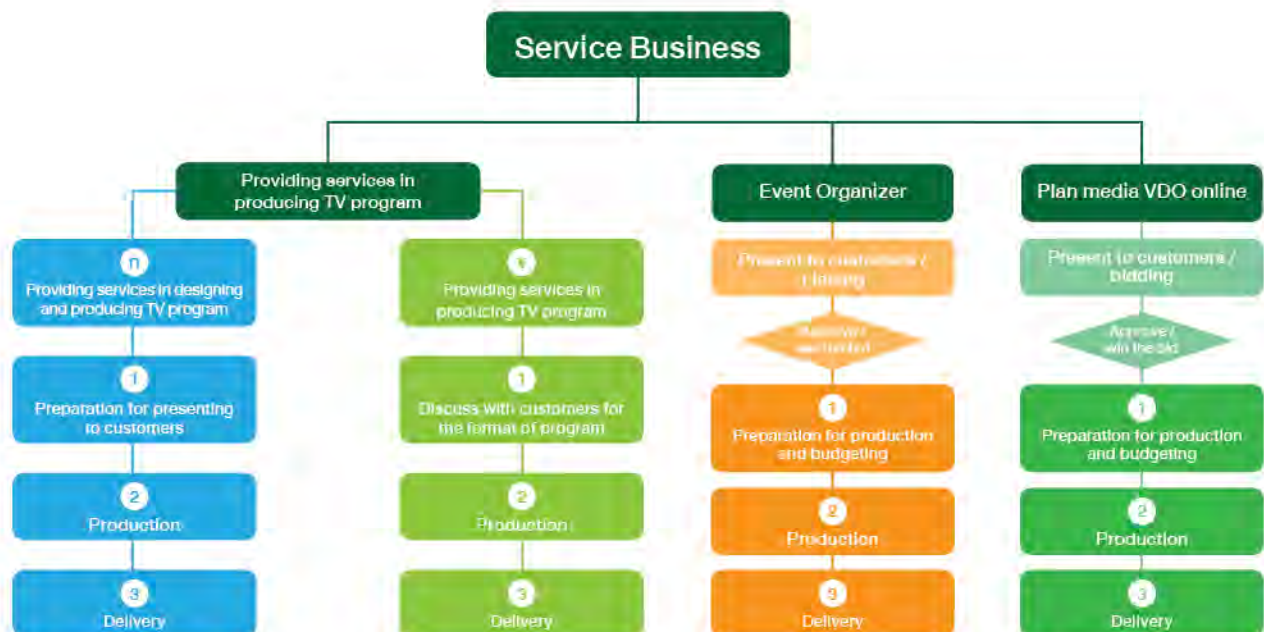
Typically, the marketing team will make a marketing plan (Year Plan) to the advertisers at the end of the year. The advertising plan will discuss the company's program and airtime for selling advertising for the next year. Usually, customers who want to advertise products will contact to buy advertising time throughout the year. The customer will inform the schedule and preliminary plan on the date of the broadcast to the Company. Once the order is received, the Company will send the order of advertising to the station tape-by-tape for each episode to confirm and inform about the advertising on the tape.

3.3 Customer Agreed to Purchase Advertising

After customers decided to purchase advertising with the Company, the next step is the customers agree with the advertising time. Customers will send the purchase order for advertising in specified program and date. If there is any change in date, the Company and customers will discuss for the appropriate time before boardcast. the Company will summarize the details of advertising in each episond and send to TV station in advance.

2.4.2 Providing Services on TV Production

The business in providing services in TV production is to provide services in doing TV production or event organizing. The major revenue of the Company is from the production services. The cost of service is the cost of hiring moderator, production, hiring teams and equipment used in production. In some cases, the company has to hire outsourcing specialists such as camera crews and lighting and sound systems to make the work out more quality. This part of the cost is part of the company's operations. The revenue from TV production services can be divided into two categories: design and production for TV program or the production of TV programs. The steps are as follows.



1) Design and Production of TV Program

This type of service is similar to the production of TV programs. The difference is that the copyright of the program will belong to the hirer with the following operations.

1.1 Preparatory steps And present the work to the customer.

At this stage, the employer may determine the types of program to be produced for the company, such as talk show. The Company is responsible for the design of the program to present to customers. The creative team of the Company will brainstorm ideas into a presentation format for the customer. After the customer agrees in the format of the program, the next step is the production.

1.2 Production Process

the production process can be divided into 3 stages: 1) Pre-Production 2) Production and 3) Post-Production which is similar to the production of TV programs. It is different because the work will be controlled and monitored by the employer to make the program based on the requirements of the employer as agreed.

1.3 Delivery

The delivery to clients is the final step in the production of the program. The Company will send the work to customers within the agreed time frame. Usually, the Company will deliver the works ahead of time. The company has never faced the problem of late delivery.

2) Production as the Specified Format

In this part, the customer has already prepared the format of the program including the scene, format, or even scripts or chapters. This form of hiring is when the customer has purchased the license from abroad (International Format), which is subject to certain conditions and must be in the same format. Mostly, the customer will contact the Company to make the production. The production process is the same as the production process of the Company as well as the production process in the case of design and production. It is important that the Company must strictly follow in term of the format, style, scenes, and scripts in order to comply with the international format. If there is any change, the employer must discuss with the owner. For delivering work to customers, the company must deliver to the customer before the scheduled broadcast. The company and CMED have never faced the problem of late delivery.

2.5 Artist Management Business

2.5.1 The nature of the product or service

Artist Management Business arises from the Company and EM which gain revenue sharing from revenue from the work of company's artists. The Company and EM have responsible for taking care and employment of artists through a team of experts. The Company emphasizes on caring to create organizational commitment and motivation so that the artists have loyalty to work with the Company and EM. The Company has a team to search for talented artists with four main channels as follows:

- **Modeling Partners** : The Company has partnered with modeling companies which present artists to the Company. If the Company sees the potential of artists, the Company and the artist will sign an agreement to work belonging to the Company. When there is job hiring to the artists, revenues is shared to the modelling agency as agreed proportion.
- **Searching artists from the Internet** : the recruitment team will search from the Internet by considering appearance prior to contact with artists to make a screen test and further sign contract.

- **Going out for searching** : The recruiting team will go out to various locations that have competitions or talented contests in order to approach the contestants who have required characteristics for screening test and signing contract for next step.
- **Artists from the Company's TV show:** the Company recruits artists from own television show which the winner of the show will be the company's artists

Figure illustrating the selection of artists



For the process of developing artists, the Company and EM focus on developing capability of artists in show performance and singing performance. The artist development process will depend on the nature of the contract between the Company and the artist which can be divided into two categories as follows;

1. **Internship Contract:** Approximately one-year contract between the Company and artist internship. The intern can attend for basic training course of show performance. The intern who have well development and have high potential will be promoted from intern to the Company's artists in the future.
2. **Artist Contract:** The artist, who signed contracts with the Company in this category, is an artist who is ready to work immediately. The artists will attend the performance training course in a higher level. The artists under contract will last 3-5 years.

2.6 Printing Business

2.6.1 Nature of Products or Services

The production and distribution of pocket books by the Company is under the name of "Thunder Publishing". The Company set up to pocket book to promote "Sa Bad Chor", the Company's TV program. The published books are about tasting for delicious shops around Bangkok. Currently, there are 5 books that have been already published.

- (1) Eating Around Bangkok "Aroi Ngai Jai Mai Paeng"
- (2) Eating Around Bangkok "Aroi Ngai Jai Mai Paeng 2"
- (3) Eating Around Bangkok "Aroi Ngai Jai Mai Paeng 3"
- (4) Noodle Around Bangkok
- (5) Seafood Around Bangkok

In addition to these 5 books from TV program of the Company, the Company has published other 5 books about the ideas of living and sharing life stories which are.

- (1) Various Experience and Thought with My Life
- (2) Various Stories and Thought in Life
- (3) Life, Truth, Philosophy
- (4) Mileage for Life
- (5) The World without Time is like the Clock without Hands

Revenue Structure The Company has revenues from 4 main businesses as follows.

The Company and subsidiaries have revenue from 4 main sources, which are 1) Revenue from advertising that is from TV program production 2) Revenue from rendering of services that is from TV production service for customers and event organization and plan media VDO online, 3) Revenue from artist management, and 4) Revenue from sale of books. During 2015-2017, The revenue structure of the Company can be summarized as follows.

Unit : Million Baht

Revenue Structure	Consolidated Financial Statement (Audited)					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from advertising	334.22	63.17%	307.24	59.52%	224.48	51.90%
Revenue from rendering of services	129.96	35.90%	198.69	38.49%	200.71	46.42%
Revenue from artist management	0.62	0.13%	1.62	0.31%	3.63	0.81%
Revenue from sale of books	0.13	0.02%	0.02	0.00%	0.15	0.03%
Total	524.95	98.33%	507.57	98.33%	428.95	99.18%
Other revenues	2.12	0.76%	8.63	1.67%	3.53	0.82%

Total Revenues	529.09	100.00%	516.20	100.00%	432.48	100.00%
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Source: information from the Company as of December 31, 2017

3. Risk Factors

The Company has realized for the importance of risk management. The risk management process must be systematic and effective to control risks. The Company has specified the structure and policy about risk management in written in order to protect and manage risks as well as to develop the guideline for good governance principles.

The risk management process is an important process for the Company and its subsidiaries in order to achieve sustainable growth. The risk management must be involved by all management level.

The Risk Management Committee will monitor the risk management plan at corporate level to ensure that the risk management is effective and risks have been controlled in the acceptable level based on the risk management policy. The risk management policy must be reviewed constantly to cover all aspects of risk. The main details about risk management are as follows:

3.1 Business Risk

1. The risk of reliance on broadcast television station and no written contract or agreement of production with such TV station.

In 2017, The Company and its subsidiaries has produced and aired, including service for production in a total of 14 programs. There are 7 programs that are produced and broadcasted and 5 of them are with Channel 3. Other 7 programs are produced for others. The show broadcasted via Channel 3 accounted for 50.00 percent of the total number of programs in 2017. TV program that produced and broadcast through Channel 3 has compensation in form of a share of advertising time (Time Sharing) and share revenue from advertising time (Revenue Sharing) which Channel 3 has the practice of leasing airtime different from other stations. There is no written contract or agreement of leasing airtime with TV producers due to internal reasons of channel 3 TV station. Thus, The Company and its subsidiaries has risk of reliance on such station and risk of no written documents to be evidence of commitment for broadcasting TV program produced by the Company and its subsidiaries with TV station. The Company may be notified for changing conditions of leasing airtime, and be cancelled broadcasting program or changing broadcasting time to lesser viewers' time range.

This issue affects to advertising revenue and creditability of the Company to customers or agencies who buy advertisement time with the Company, leading to Company's performance. This practice of no written contracts or agreements for this TV station has been applied continuously with the Company and other TV producers in the industry. Before starting production of new TV show, marketing team normally survey the needs and popularity of viewers through discussion with TV stations and group of customers who buy advertisement, and then discuss with Managing team for production. In addition, the executives of the Company who have long experiences in the

industry will monitor the production with quality so that the produced TV programs are popular among audiences and TV stations. The Company has operated for 25 years, produced and broadcasted TV program via this TV station for more than 10 TV programs and never performed anything that is different from agreed upon conditions. Therefore, the Company has not been affected with no written contract or agreement. However, to prevent uncertainty that may result with the broadcasting and advertising revenues, the Company will oversee by submitting schedule plans of aired time for advertisement in each program to confirm broadcasting time of advertising spot and identify total amount of advertising time agreed upon. The Company has not previously been discontinued or canceled broadcasting by such station.

In addition, the Company focus on building strong relationships with every broadcasting station through strictly compliance with the terms of leasing airtime as agreed upon such as the quality and contents of TV program, on time payment of leasing and finding advertisement that is appropriate and consistent with broadcasting time. The Company has practiced strictly and consistently and never been cancelled of broadcasting from any TV stations. Therefore, the Company believes it will not much be affected by the risk of reliance on broadcast TV station.

2. The risk of changes in the advertising industry

TV advertising has the most influence and affect to decision making of consumption of consumers. In 2017, AC NIELSEN has estimated the market value of television advertising worth more than 70,979.00 million baht, representing approximately 58 percent of the value of the advertising industry in the country. The change of advertising industry depends on the economic and political situation. At year-ended December 31, 2017, the Company had revenues of 224.46 million baht or 51.90 percent of the total revenue of the Company which was caused by economic factors and the period of showing our condolence. Thus, it is seen that the performance of the Company will vary based on the decision of buying advertising time, which buyers determine the cost of advertising based on economic and political conditions. If the overall direction of economic and political trends tends to be good, this will result in the higher advertising budget through the media, especially television advertising is likely to grow. Therefore, the Company may be exposed to risks from fluctuations in the economy and politics. This may affect the demand for advertising from the owner of the goods and services.

The Company is aware of such risks. In order to minimize the impact of the above risks, the Company has set an implementation plan including a strategy for the business in accordance with policies and vision of the Company, which is focused on 1) Build quality and attractiveness of the TV shows to meet the competitions in the business 2) maintain and increase viewers to achieve a stable revenue by responding to the needs of direct customers which are customers who buy advertising time and indirect customers who are the audiences 3) expand distribution channels by increasing the proportion of service for TV production business. In addition, the Company plans to develop further for artist management, 4) study for finding new opportunities to produce other content entertainment such as online media etc. The Company believes that maintaining the mix of business can reduce such risk to some degree.

3. The risk of reliance on certain TV shows.

In 2017, the Company's main income is from advertising revenue of 224.46 million baht or 51.90 percent of total revenue. More than 83.11 percent of advertising revenue in 2017 arose from 3 TV shows which are Take Me Out (Thailand), Master Key, Hidden Singer (Thailand) and La Banda (Thailand). If such TV programs have less popularity, the Company is unable to sell advertising time as target, or if there is a change of broadcast policy and such programs cannot be aired, the Company may be at risk of reliance on revenue from such TV shows and affect to a decrease in revenues and operating results of the Company.

The Company is aware of such risks. In order to prevent and reduce the potential risk, the Company has improved contents of TV program to have more quality and attractive for maintaining audience. Besides, the Company looks for new TV shows to present to TV station so as to increase opportunities and other revenue stream to the Company. However, such 3 TV programs have a lot of viewers and have produced and broadcasted for a long time such as Take Me Out (Thailand) which is now season 10, Master Key which broadcast at the station for over 20 years and Hidden Singer (Thailand) which is new program with international Format and get good feedback from the audience and agency. Moreover, the Company has one new additional program, which is La Bonda (Thailand). The Company also continuously maintains good relationships with the TV station and gives priority to the development of TV program to be consistent with current situation by discussion. In the event that TV program is international format, the discussion between management and the owner of the copyright will be made. While, the discussion is made between management and related team for TV program produced by the Company. Therefore, the Company is confident that it will not be affected as much for this risk.

4. The risk of not being renewed the copyrights purchased from abroad.

Creatist Media Co., Ltd. (CMED) is a subsidiary of the Company. The Company holds shares representing 99.99 percent of the registered capital. Main revenues of CMED are from advertising revenue generated from television production which the copyrights are purchased from abroad. CMED purchases the copyright of TV shows that are popular in oversea and has contents in consistent with viewers in the country. During past years, CMED purchased the copyrights to produce and broadcast for 3 TV programs, consisting of Dance Your Fat Off, which is now season 3, Take Me Out Thailand, which currently broadcast season 10 and Hidden Singer (Thailand), which season 2, and La Banda Thailand. The producer must have production that is identified by the copyright owner (International Format) such as stage, light, sound, and illustrations. If CMED want to change any pattern or content of TV program, CMED must be approved by the copyright owner before it can be implemented. Revenues of CMED are mainly from advertising. As of December 31, 2017, advertising revenues of CMED accounted for 58.16 percent of total advertising revenues of the consolidated financial statements. Thus, if CMED has not been renewed by the copyright owner to the next season or cannot find TV program that have international format to produce as specified policies, CMED will lose opportunity to produce popular TV shows and affect to operating results of CMED and the Company.

The Company is aware of the risk of acquisition on the copyrights of TV program and the copyrights renewal. Regarding the acquisition on the copyrights of TV program, the Company need to be a first television producer who contacts with the copyright owner since only one TV producer in each country has right to produce the copyright TV program. In terms of the risk of contract renewal, this depends on the decision of the copyright

owner. Thus, the best solution of the Company to prevent and reduce the likelihood of being terminated the copyrights is to strictly produce TV program according to the terms and requirements specified in the contract. Then, TV programs have contents and patterns according to agreed conditions with the copyrights owner and standards that have been proven for popularity in many countries. All TV programs that CMED has license to make a production are popular and attractive audience to continuously watch in all seasons. This can be seen from the ratings during broadcast at an average of 6.9. (Source: NBTC Most of entertaining TV program broadcast in the country has an average rating at maximum of 7.0: Data from management team). CMED then can generate advertising revenues continuously. In order to minimize the risk of non-renewal of the copyrights to produce current TV program, the Management of CMED identifies that team involving with TV program has to search for good quality, distinctive and different from existing TV shows produced and broadcast in the country. In addition, Contents of TV program must be consistent and not contrary to the customs and culture of Thailand in order to produce and broadcast in Thailand so CMED will not much take risk of such issues. .

5. Risk of TV production

In terms of television production, there are important elements that can expose risk as follows.

- **The risk of a shortage of quality personnel of the TV production.**

Since the nature of this business rely on personnel who is creative, professional and experienced, the lack of quality personnel in the TV production can affect to lack of interesting TV shows or lesser TV shows or unpopular or poor ratings TV shows and finally affect to performance quality of the Company. The Company is aware of this risk and defines solutions by setting clear criteria for promotion and rewards for personnel in each department in order to build confidence and motivation to personnel of the Company. The Company also pays attention to the development of human resources and gives opportunities for employees to create works independently under specified pattern and build a new team to support the Company's growth in the future.

- **The risk of hiring team from outside.**

The Company needs to hire a specialized team to produce TV program such as lighting, sound and camera systems etc. Currently, the Company does not have lighting, sound and camera that are capable of shooting in high quality due to high investment. The Company, therefore, needs to hire team from outside. The Company may be at risk if it fails to supply the team with the quality as needed. This may affect to the shooting schedule, broadcast TV programs and TV program which must be delivered to the employer. However, The Company has set a clear guideline through shooting in advance to guide the involved production team and coordinate with other departments that take part in the production and shooting. As a result, the Company can control and manage the hiring of specialized personnel more effectively to prevent and reduce the risks that may occur for a certain level. The Company plans to invest in production system which can reduce production costs by 10- 20 percent of the current production costs.

The Company also can generate additional revenue from the rental of system or management system for other TV producers.

• **The risk of changes in technology**

Technology in the production or filming is important factor that entrepreneurs in the business of producing TV programs need to focus and develop to modern technology in order to meet the needs of audiences. In addition, the Company needs to focus on the government's policy on the broadcast of television of the country such as the development of image clarity and sound for viewing and listening through television etc. Such technology is changing rapidly and requires high investment to develop as required quality. The Company foresees such risks and set guidelines to prevent such risk through hiring others for work that related to technology and specialist. Such specialist team has experience and a selection of high quality equipment at several levels in order to reduce the cost of investment which create a burden to the Company in the future such as camera, lighting and sound systems etc.

6. *The risk of less popularity of TV program.*

TV production costs for each TV program are relatively high fixed operating costs, which are leasing airtime fee, operating cost, artist fee, and expenses for operation. While the Company's revenue will come from advertising revenue and production fee. Advertising revenues depends on the popularity of viewing audiences. The decision to advertise or promote products or services of an advertising agency or product owners. Is determined by the value of money to lose and the opportunity that products or services be recognized by audiences. TV programs which has high ratings means that there is a huge audience base. Advertising time of such program would be required by the advertising agencies or product owners because the broadcasting advertisement can create awareness and reach a broader audience. On the other hand, If TV program are less popular, this affect to the decision on the purchase of advertising time from advertising agency or product owner who possibly cuts in advertising budgets down. While, the Company continues to bear fixed production costs.

The Company is aware of such risk involving this issue. Prior to the production of any TV program, the team will discuss with TV stations and advertising agencies to learn about the current trends in the consumption of the audience and design new contents of TV program that is creative and interesting enough to attract audience. During production, the Management who has long experiences in TV production will monitor the production closely so that the show was produced with quality and contents as planned. The Company offers a variety of programs which each program is varied in content and presentation. All TV programs have a point of interest, and in the trends to attract viewers to the continuous viewing. The Company also checks the quality and ratings of the show regularly in order to make improvement. Thus, the Company believes to be affected less by such risk.

7. *The risk of the proliferation of other media types*

Television production business has a direct relation to the growth of the advertising industry. Currently, there are more and more new media such as internet, cinema media, or in-store media, mobile media etc. As a result, advertising agencies and owners of the goods and / or services have more alternatives to advertise in a

variety of more channels. The budget of TV advertising may be allocated to other media so this affect to revenues and operating results of the Company. The Company is aware of the risk that results from such changes and defines guidelines to reduce the risk of cutting budget of television advertising by focusing on the development and creation of a distinctive style of TV program. Also, the Company maintains to good production quality and be competitive to impress and attract the audience, leading to buying of advertising time of the Company. The Company has continuously operated in such a manner. According to survey of The Nielsen Company (Thailand) Limited has shown that, although the advertising market have more alternative channels but the proportion of advertising through television is still continuing popularity. In 2017, the market value of television advertising accounted for 56 percent of the value of total advertising in the country (Source: Association Media Agency) because television is still the medium that can reach a broad audience and more effective than other forms of advertising. Therefore, the Company is confident to be less affected by such risk.

3.2 Administration Risk

Risk of dependence on key executives.

The Company was founded in 1992 by Mr. Sompong Wannapinyo who has long experience in the entertainment business. Currently, Wannapinyo family members are major shareholder holding 62 percent of the registered capital and key executives including: 1) Ms. Patraporn Wannapinyo, Chairman, Executive President, and CEO 2) Mr. Pirath Yensudjai, Director, Executive Director and Executive Vice President 3) Mr. Natakrit Wannapinyo Director, Executive Director and Assistant of Chief Business Development 4) Ms. Napat Wannapinyo Executive Director and Assistant of Chief Sales and Marketing. These four persons are all those who have a deep understanding of the television production and entertainment business by building credibility for the Company and maintaining good relationships with customers. If there is a major change in key executives, this may affect the operations of the Company.

However, the Company has the scope of responsibilities and authority of each position and tasks clearly. The Company also systematically decentralized administration and management through an authorization matrix. The Company assigned proper duties and responsibilities to employees who have the knowledge and ability in each department. The Company has good database system for exchanging the necessary data and information. The Company has also defined a set of guidelines to develop performance and skills of employees by various courses of training for enhancing their knowledge and skills and to reduce dependence on any one particular staff. In addition, the Company also encourages employees to feel as one part of the Company with proper welfare to employee in each level as incentive and builds morale and motivation in the workplace.

The Company has appointed a committee of qualified risk management who has experienced in this business for a long time to monitor and prevent risks that may occur and impact the business operations of the Company and shareholders.

3.3 Risks affecting to the rights of securities holders

Risk of powerful major shareholder

Wannapinyo family is major shareholders, representing 62 percent of the paid-up capital. Thus, the Company and / or its minority shareholders may be at risk from the group of major shareholders to influence policy for operations in either direction due to aggregate shareholding of more than fifty percent, except for the actions of any applicable law or company affidavit that requires the approval of the shareholders more than three fourth of the paid-up capital.

However, the Company has Audit Committee which 3 of 8 committees are independent directors, which all members of Audit Committees are well-qualified and recognized in the society. The responsibility of Audit Committees is assigned by the Board of Directors which is in accordance with the announcement from the Stock Exchange of Thailand Re: Qualifications and Scope of the Audit Committee B.E. 2551. The Audit Committees also have qualification as independent directors according to Article 16 of the Notification of the Capital Market Supervisory Board No. Tor Chor. 28 /2551. This is to enhance performance, create the examination, balance authority and create transparency for the management of the Company. The Company also hired Aim to Prosperity Co., Ltd. to perform as the internal audit department which is independent from the management team and report directly to the Audit Committee. In addition, the Board of Directors also recognizes the importance of good corporate governance by complying with corporate governance guidelines strictly and consistently. Thus, the Company is confident that its shareholders and stakeholders are treated fairly and equally.

4. Assets Used in Business

4.1 Fixed Assets Used in Business

Fixed assets used in the business of the Company and subsidiaries include land, buildings, and equipment. As of December 31, 2017, the Company and subsidiaries had fixed assets as follows.

Land

Location	Ownership	Book Value at the End of the Year 2017 (Baht)	Obligation
Title Deed No. 16992 and 16993 located in Wang Thonglang, Bangkok with the area of 0-1-37.9 Rai	The Company	159,972,199	Under the mortgage for borrowings from financial institution including buildings. The mortgaged
Title Deed No. 33980 and 33981 located in Wang Thonglang, Bangkok with the area of 0-2-80 Rai	The Company		

Title Deed No. 34117, 34118, 34127 and 34128 located in Wang Thonglang, Bangkok with the area of 0-2-70 Rai	The Company		amount is 45,000,000 baht.
Title Deed No. 34137 and 34138 located in Wang Thonglang, Bangkok with the area of 0-2-80 Rai	The Company		- None -
Title Deed No. 33978 and 33979 located in Wang Thonglang, Bangkok with the area of 0-2-70 Rai	The Company		- None -
Title Deed No. 3758, 3759, 16628, 16688, 16689, 16690, and 16691 located in Saphan Sung, Bangkok with the area of 8 – 1 -76.3 Rai	The Company		- None -

Office Building

Location	Ownership	Book Value at the End of the Year 2017 (Baht)	Obligation
Office Building located at 1213/309-310, 429, and 527/12 Soi Ladprao 94 (Panjamitri) Srinakharin Road, Phubpla, Wang Thonglang, Bangkok	The Company	237,068,815	Under the mortgage for borrowings from financial institution including buildings. The mortgaged amount is 45,000,000 baht.

Equipment and Other Fixed Assets

Item	Ownership	Book Value at the End of the Year 2017 (Baht)
Land and Building Improvement	The Company	9,985,636
Automobile	The Company and CMED	6,406,458
Office Equipment	The Company, CMED, EM, and BB	7,449,307
Furniture and Fixtures	The Company and BB	1,355,939
Equipment for TV Production	The Company and BB	1,226,160
Computer	The Company, CMED, and BB	2,178,835
Total		28,602,335

The Company has constructed 3 new studios on the land area of 5.11. These studios have been opened in June 2016 for supporting the growth of the Company and the expansion of TV program production because the studio is the main factor for TV program production. After in 11, the existing 2 studios the Company currently has 5 studios with the size ranged from 106 sq.m. to 2,377 sq.m. There is 9 rooms for stage storage with the size ranged from 56 sq.m. to 168 sq.m. Therefore, the Company has the studios that can support many types of production. These studios allows the Company to get more projects and reduce the cost of renting outside studios that can finally reduce the cost of production. The Company has set up the new department to be responsible for studios to control the quality as well as to get outside customers who are interested to rent studios for event or production in professional level. This will allows the Company to earn extra incomes from renting studios and to fully utilize the resources.

The Company has redeemed the mortgage on land and buildings used as the collateral for borrowing money from a financial institution for constructing these studios. The mortgage amount is 160 million baht. The redemption has already been done on January 31, 2017. The Company changed the name at the back of the title deed in May 2017.

4.2 Property Investment

As of December 31, 2017, the Company has no property investment. On June 27, 2016, the executives of the Company have approved the construction of new studios on the land based on the business plan. These 3 studios will be used for program production. This land has been transferred from Property Investment to Land, Buildings, and Equipment with the value of 93,582,528 baht in the 2nd quarter of 2016.

4.3 Intangible Assets

As of December 31, 2017, the Company has intangible assets of 7,967,959 baht. The intangible assets include computer software and goodwill.

5 Future Projects

The Company and subsidiaries have the future projects to increase value of the Company as follows.

1. Expansion for TV Production

The Company plans to expand its production of TV programs to increase production and format of the programs. By doing so, it will help to expand the customer base and generate more revenue as well as to meet the needs of viewers of all ages in all ages. In each broadcast period and each station, there will be major viewers during that time and the format of program in each station are different. This investment is appropriate for this business and the fundraising will enable the Company to produce more variety of programs that will meet the needs of consumers and viewers.

2. Investment in Online Entertainment Business and Entertainment Media Production

The Company is continuously expanding including future investment plans. Therefore, it requires additional funding. Therefore, the Annual General Meeting of Shareholders No. 1/2016 has the resolution to approve the issuance and offering of warrants No. 1 (TVT-W1) no more than 200,000,000 million units allotted to the existing shareholders of the Company (Right Offering) at the ratio of 4 existing ordinary shares to 1 warrant. The exercise price is 1.50 baht per share. The issue date is May 17, 2019. The warrants are valid for 2 years from the date of issuance. The exercise period starts 1 year from the issue date. The warrants can be exercised on the last business day of June and December in each calendar year throughout the life of the warrant. The first exercise date is June 30, 2017 and the last exercise date is 2 years from the date of issuance of the warrants which is May 16, 2018 (if the exercise date falls on a holiday, the last exercise date shall be postponed to the last business day prior to the exercise date).

The purpose is to support the investment in online entertainment business and production of entertainment media as well as to increase the competitiveness, liquidity, and working capital of the Company. It also helps strengthen the Company's capital base for future investments. The future investment plans will generate more revenue and will benefit the Company and its shareholders.

6 Legal Dispute

- None -

Management and Governance

Part 2 : Management and Governance

8. Information about Securities and Security Holders

8.1 Registered Capital and Paid-up Capital

The Company has registered capital of 250,000,000 baht in form of 1,000,000,000 ordinary shares with par value of 0.25 baht. The paid-up shares are 800,000,000 shares with total value of 200,000,000 baht.

8.2 List of Shareholders

The list of shareholders as of March 13, 2018 is as follows.

No.	Name	No. of Shares	Proportion (%)
1	Mrs. Patraporn Wannapinyo	193,069,000	24.13
2	Mr. Sompong Wannapinyo	142,137,700	17.77
3	Mr. Natakrit Wannapinyo	90,145,600	11.27
4	Mr. Taweechat Julangkul	50,000,000	6.25
5	Ms. Napat Wannapinyo	46,530,800	5.82
6	Thai NVDR Co., Ltd.	18,131,300	2.27
7	Mr. Surapan Pattanapitoon	14,502,600	1.81
8	Ms. Pornchanok Yuwittaya	12,650,500	1.58
9	Mr. Wasin Wutthimanon	11,886,800	1.49
10	Mr. Pirath Yensudjai	8,514,800	1.06
Total		587,569,100	73.45

Source: Thailand Securities Depository Co., Ltd.

8.3 Issuance of Other Securities

The Annual General Meeting of Shareholders No. 1/2016 has the resolution to approve the issuance of warrant lot no. 1 (TVT-W1) not more than 200,000,000 units. These warrants will be allotted by Right Offering with the proportion of 4 existing ordinary shares to 1 warrant. The exercise price is 1.50 baht per share. The issuance date is May 17, 2016 and the expiration date will be 2 years after the issuance date. The first date that the holders can exercise the warrant is 1 year after the issuance date. The exercise can be done on the last working day of June and December of each year until expiration. The first exercise date is June 30, 2017. The last exercise date is 2 years after the issuance date, which is May 16, 2018 (If this date is holiday, the last exercise date will be changed to the last working day before this date). Moreover, the shareholder meeting has

also approved the capital increase of 200,000,000 shares with the par value of 0.25 baht in order to support the exercise of warrant (TVT-W1)

On May 17, 2016, the Company has allotted warrants to existing shareholders by right offerings (TVT-W1) for 199,999,976 units and these warrants (TVT-W1) have been registered for trading in Market for Alternative Investment (MAI). The first day of trading is June 3, 2016.

As of December 31, 2017, no shareholder has exercised the rights for TVT-W1.

8.4 Dividend Policy

The Company and subsidiaries have the policy to pay dividend to shareholders not less than 40% of net profit after tax and legal reserves based on the financial statement of the Company. However, the dividend payment depends on cash flow, investment plans, and legal conditions. Each company may consider other appropriate factors in the future so that the dividend payment will not affect the normal business operation significantly. After the Board of Directors of the Company approved the dividend payment, the issue will be proposed to the shareholder meeting in order to get approval. Moreover, the Board of Directors of the Company may approve the interim dividend payment if it is appropriate and does not affect the future operation of the Company. In this case, the payment will be reported to the shareholder meeting in the next meeting.

The dividend payment information after the Company has been listed in the Stock Exchange is as follows.

Dividend Payment Information	2015	2016
1. Unappropriated Retained Earnings*	71,515,651	33,551,296
2. Net Profit**	42,035,645	47,768,080
3. Number of Share	800,000,000	800,000,000
4. Dividend per Share		
- From Retained Earnings*	0.05	-
- From Net Profit**	0.05	0.045
5. Total Dividend Payment	80,000,000	36,000,000
6. Dividend Payout Ratio		
- From Retained Earnings*	ร้อยละ 56	-
- From Net Profit**	ร้อยละ 95	ร้อยละ 75

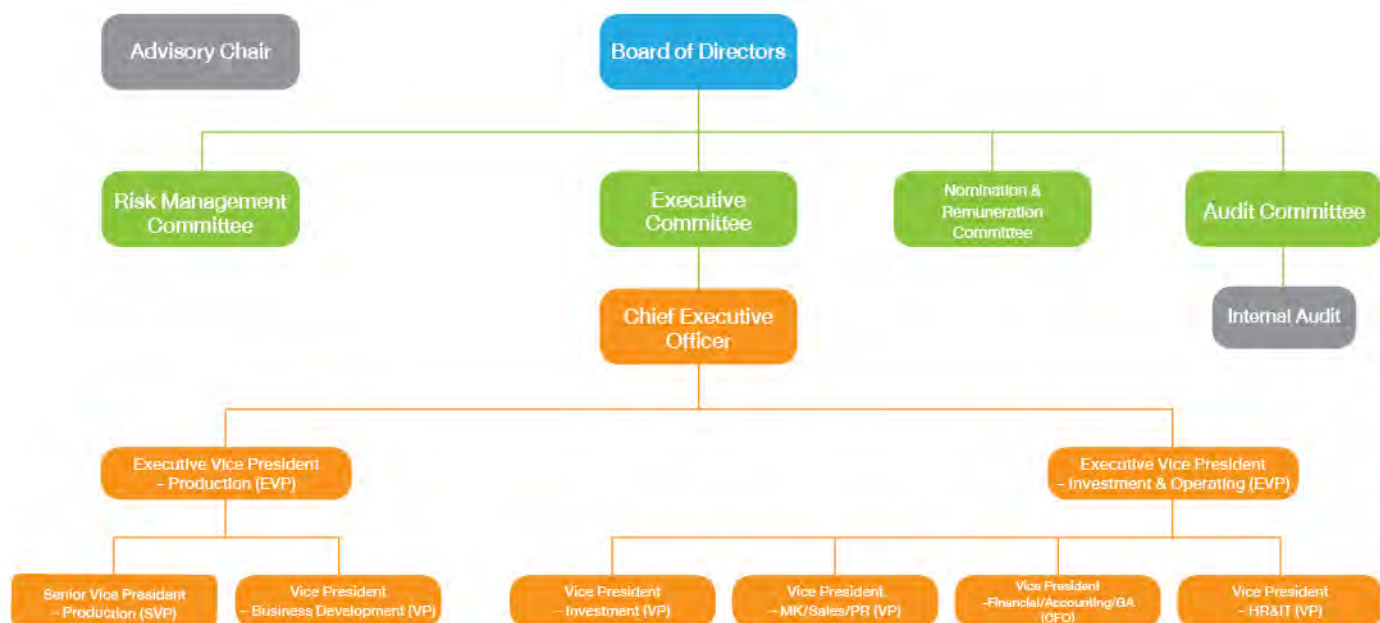
* From unappropriated retained earnings of the Company's Separate Financial Statement

** From net profit of the Company's Separate Financial Statement after deducting legal reserve

9. Management Structure

9.1 Organization Structure

Management Structure



The organizational structure of the Company is as follows.

9.2 Management Structure

Management structure consists of 5 sets of committee including Board of Directors, Audit Committee, Executive Committee, Risk Management Committee, and Nomination and Remuneration Committee with the following details.

Board of Directors

As of December 31, 2017, the Board of Directors consists of the following 8 members.

	Name-Surname		Title
1.	Assoc.Prof.Dr. Montri	Socatiyanurak	Chairman / Independent Director
2.	Mrs. Patraporn	Wannapinyo	Vice Chairman
3.	Mr. Sompong	Wannapinyo	Director / Chairman of Advisory Board
4.	Mr. Phusit	Laithong	Director
5.	Mr. Pirath	Yensudjai	Director
6.	Mr. Natakrit	Wannapinyo	Director
7.	Mr. Sudhitham	Chirathivat	Director / Independent Director
8.	Assoc.Prof.Dr. Gallayanee	Parkatt	Director / Independent Director

Note: The Annual General Meeting of Shareholders 2017 held on April 25, 2017 has the resolution to re-elect Mr. Sudhitham Chirathivat and Assoc.Prof.Dr. Gallayanee Parkatt as the directors for another term.

Role and Responsibilities of Board of Directors

1. Perform duties with responsibility, carefulness, honesty and perform duties in accordance with the law, objectives and regulations of the Company and the shareholders' resolutions.
2. Consider and approve the appointment of qualified and non-prohibited persons as specified in The Public Limited Company Act BE 2535 and the Securities and Exchange Act including notifications and / or regulations related to the director position in the case where the director vacates for any reason other than the expiration of the term.
3. Appoint the Executive Committee from the directors of the Company and determine the scope of duties and responsibilities of the Executive Committee
4. Appoint Independent Director and Audit Committee by considering the qualifications and prohibitions of Independent Directors and Audit Committee under the Securities and Exchange Act including the relevant regulations and / or regulations of the SET and propose to the shareholders meeting for appointment as an independent director and audit committee of the Company.
5. Consider and change the name of the authorized directors of the Company.
6. Appoint other persons to operate the Company under the control of the Board or may authorize such person to have authority and / or within the time as the Board deems appropriate. The Board may revoke, change or amend such powers.
7. Consider and approve the acquisition and disposition of assets of the Company. The approval of such transaction is in line with the SLI's regulations and / or regulations.

8. Consider and approve the connected transaction except the case that such transactions must be approved by the shareholders' meeting. The approval of such transaction shall be in accordance with the notifications and / or regulation related to the SLT.
9. Consider and approve the interim dividend payment to shareholders if the company is profitable enough to do so. The dividend payment will be reported to the shareholders' meeting at the next meeting.
10. Evaluate the performance and determine the remuneration of directors and top executives.
11. Be responsible for performance of management with intent and carefulness in operation.
12. Supervise the management to have appropriate and effective risk management system.
13. Ensure that clear and measurable business goals are defined as a guideline for setting target by considering the feasibility and reasonableness.
14. Be responsible to the shareholders regularly and operate for the interests of shareholders. The material information should be disclosed to the investors fully and accurately with standard and transparency.
15. Evaluate the performance and determine the remuneration of top executives.
16. Supervise the management to have appropriate and effective risk management system.
17. Make decision in important issues, such as policies and business plans, large investment projects, the authority of management, the acquisition or disposition of assets, and any other transactions specified by the law.
18. Determine authority and level of approval in the transaction and the operation related to the Company to the group of persons or the persons as appropriate. This is in accordance with the relevant laws and regulations based on the authority manual that should be reviewed at least once a year.
19. Set up an accounting system, financial reporting and auditing as well as supervise the process of assessing the suitability of internal control.
20. Approve the nomination of auditors and the annual audit fee and propose to the shareholders for approval.
21. Report the responsibility of the Board of Directors in preparing the financial statements together with the auditor's report in the annual report covering important issues in accordance with the Good Corporate Governance Policy for Listed Companies of the Stock Exchange of Thailand.
22. Supervise the performance of various committees in accordance with the charter.
23. The Board of Directors shall evaluate the performance by themselves and evaluate the overall performance.

Audit Committee

As of December 31, 2017, the Audit Committee consists of the following 3 members:

Name-Surname		Title
1. Assoc.Prof.Dr. Montri	Socatiyanurak	Chairman of Audit Committee / Independent Director
2. Mr. Sudhitham	Chirathivat	Audit Committee / Independent Director
3. Assoc.Prof.Dr. Gallayane	Parkatt	Audit Committee / Independent Director

Roles and Responsibilities of Audit Committee

The Audit Committee has the roles and responsibility in accordance with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand to report directly to the Board of Directors in the following issues:

1. Review financial reports to ensure that it is accurate and reliable including adequate disclosure by coordinating with external auditors and executives responsible for preparing quarterly and annual financial reports.
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and effective and consider the independence of the internal audit unit, as well as approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other units responsible for internal audits. They may also suggest reviewing any items deemed necessary and important and recommend the improvement of the internal control system to the Board of Director by reviewing with external auditor and the internal audit.
3. Review compliance with the Securities and Exchange Act as well as rules, regulations, and other laws relating to the business of the Company.
4. Select and appoint an independent person to serve as the auditor and consider the remuneration of the auditor of the Company to the Board of Directors. Also, attend the meeting with the auditors without the management at least once a year.
5. Review the internal audit plan of the Company using the generally accepted method and standard.
6. Consider the Connected Transaction or transactions that may lead to conflict of interest in accordance with the law and SET regulations as well as ensure that the disclosure of the Company's information in such matter shall be accurate and complete to ensure that the transaction is reasonable and beneficial to the Company.
7. Review the Company's risk management system to ensure that it is appropriate and effective.
8. Report of Audit Committee Performance to the Board of Directors at least 4 times a year.
9. Prepare the Audit Committee's report disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and consist of at least the following information.
 - (A) An opinion on the accuracy, completeness and creditability of the Company's financial report;
 - (B) An opinion on the adequacy of the Company's internal control system;

- (C) An opinion on the compliance with the securities and exchange law, the Stock Exchange of Thailand or law relating to the business of the company.
 - (D) An opinion on the suitability of the auditor
 - (E) An opinion on the connected transaction or transactions that may lead to conflict of interest.
 - (F) A number of the Audit Committee meetings and the attendance of each member of the Audit Committee.
 - (G) An opinion or overview comment received by the Audit Committee from performing its duties under the Charter.
 - (H) Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Company's Board of Directors.
10. Join in providing opinions on the appointment, removal, evaluation of the work of the internal audit unit.
 11. In performing duties, the Audit Committee shall have the power to invite management, executives, or employees of the Company to provide opinions, attend a meeting or send a document that is relevant or necessary.
 12. Have the authority to hire consultants or outsiders in accordance with the Company's regulations to provide opinions or consultations where necessary.
 13. The Audit Committee must evaluate the performance by self-assessment report the results of the assessment together with the problems and obstacles that may cause the operation to fail to achieve the goal to the Board of Directors every year.
 14. Review and improve the Charter of the Audit Committee.
 15. Perform other tasks as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

In performing the above duties, the Audit Committee is directly responsible to the Board of Directors and the Board of Directors remains responsible for the operation of the Company to third parties. The three members of the Audit Committee are independent directors qualified under Clause 16 of the Notification of the Capital Market Supervisory Board No. TorChor. 28/2008, with a term of office of three years. The audit committee who have knowledge and experience in reviewing the reliability of the financial statements are Assoc. Prof. Dr. Montree Socratyanurak and Assoc. Prof. Dr. Gallayanee Parkatt

Executive Committee

As of December 31, 2017, the Executive Committee consists of the following 7 members.

	Name-Surname		Title
1.	Mrs. Patraporn	Wannapinyo	Chairman of Executive Committee
2.	Mr. Phusit	Laithong	Executive Committee
3.	Mr. Pirath	Yensudjai	Executive Committee
4.	Mr. Natakrit	Wannapinyo	Executive Committee
5.	Ms. Piyaporn	Laithong	Executive Committee
6.	Ms. Napat	Wannapinyo	Executive Committee
7.	Ms. Naree	Wichunakorn	Executive Committee

Roles and Responsibilities of Executive Committee

1. Control the management of the company to comply with the policy set by the Board of Directors and report the operating results to the Board of Directors. In the proceedings of the Executive Committee, there must be at least half of the Executive Committee members present at the meeting. The resolution of the Executive Board must receive a majority of votes from the meeting and those votes counted at least half of the votes of the Executive Committee.
2. Consider the authority and level of approval of the individual regarding to the separation of functions that could lead to corruption as well as determine the procedure to do transactions with major shareholders, directors, executives, or persons related to such person to prevent the transfer of benefits. The Board of Directors is responsible for approving the Company's policy and controls the implementation of agreed principles and requirements.
3. Consider the annual budget and procedure in using the budget and propose to the Board of Directors as well as control the spending by the budget approved by the Board.
4. Consider and improve the business plan of the Company for the benefit of the company.
5. Approve the investment and set investment budget by virtue of the authority manual.
6. Consider the various contracts binding the Company by virtue of the authority manual.
7. Be responsible for providing important information to the Company for the decision of the Board of Directors, the shareholders, and to make reliable financial reports under good standards and transparency.
8. Consider profit and loss of the company and propose the annual dividend payment to the Board of Directors.
9. Consider new business or termination of business and propose to the Board of Directors.
10. Supervise the process in operation and report the incident or unusual action or any action against the law to the Executive Committee in a timely manner. In the event that such event has material impact, report to the Board of Directors for consideration within a reasonable time.
11. Take any action to support the above actions or as the opinion of the Board of Directors or as authorized by the Board of Directors.
12. Any issue approved by the meeting of Executive Committee shall be reported to the Board of Directors at the next Board meeting.

The authorization of duties and responsibility of the Executive Committee mentioned above does not include authority and / or power of attorney to approve any transaction related to themselves or persons who may have conflicts of interest (As defined in the Notification of the Capital Market Supervisory Board) or have any interest that may be conflict with the Company. The approval of such transaction must be submitted to the Board

of Directors and / or the shareholders' meeting (As the case may be) to approve such transaction in accordance with the company's regulations or the relevant law.

Risk Management Committee

As of December 31, 2017, the Risk Management Committee consists of the following 6 members.

	Name-Surname		Title
1.	Mr. Sudhitham	Chirathivat	Chairman of Risk Management Committee
2.	Assoc.Prof.Dr. Gallayanee	Parkatt	Risk Management Committee
3.	Mr. Phusit	Taithong	Risk Management Committee
4.	Ms. Piyaporn	Laithong	Risk Management Committee
5.	Ms. Naree	Wichunakorn	Risk Management Committee
6.	Mr. Pirath	Yensudjai	Risk Management Committee

Roles and Responsibilities of Risk Management Committee

1. Define policies and structures for risk management and propose to the Board of Directors in accordance with the risk management guidelines of the Stock Exchange of Thailand and the Association of Internal Auditors of Thailand.
2. Set the strategies in line with the risk management policy to be able to evaluate, monitor, and control each type of risk at an acceptable level and allow the involved units to participate in the management and control of risk.
3. Assess risk at the enterprise level and ensure that risk management approach is acceptable as well as control the risk management in accordance with established procedures.
4. Review the risk management policy and improve its efficiency and effectiveness in controlling the risk.
5. Have the authority to call the person concerned to clarify or appoint and assign the role that all employees at all levels have the responsibility to manage the risk as appropriate as well as report risk to the Risk Management Committee.
6. Report the results of risk management to the Executive Committee and the Audit Committee to propose to the Board of Directors on a quarterly basis.
7. Develop a risk management manual.
8. Identify various risks as well as analyze and evaluate potential risks including trends that affect companies.
9. Prepare a plan to protect or reduce the risk.
10. Evaluate and prepare the risk management report.
11. Develop the integrated risk management system by linking information system.
12. Perform other duties as deemed appropriate by the Board of Directors.

Nomination and Remuneration Committee

As of December 31, 2017, the Nomination and Remuneration Committee consists of the following 3 members.

	Name-Surname		Title
1.	Assoc.Prof.Dr. Montri	Socatiyanurak	Chairman of Nomination and Remuneration Committee
2.	Mr. Sudhitham	Chirathivat	Nomination and Remuneration Committee
3.	Mrs. Patraporn	Wannapinyo	Nomination and Remuneration Committee

Roles and Responsibilities of Nomination and Remuneration Committee

• Nomination

1. Determine the appropriate nomination for directors to suit the nature of business of the organization by determine the required qualification and expertise.
2. Nominate the name of nominee to the Board of Directors by the nomination may be considered by the existing director to hold the position or to be nominated by the shareholders or using an outsource to help in nomination or consider from the list of professional directors or allow each director to nominate the appropriate person.
3. Consider the list of nominees and select qualified candidates who meet the qualification criteria.
4. Check whether the person being nominated meets the legal requirements and requirements of the relevant authorities.
5. Conduct a referral to qualified persons who meet the eligibility criteria to ensure that such person is willing to accept the position of director of the Company if such persons appointed by the shareholders.
6. Nominate the Board of Directors to consider and include the name in the notice of the shareholders' meeting to consider.
7. Consider the recruitment of top executives as assigned by the Board of Directors.

• Remuneration

1. Consider the criteria for the remuneration of directors and top executives to be suitable by reviewing the appropriateness of the criteria currently in use compared with the remuneration of other companies in the same industry and set the appropriate criteria to achieve the expected results by providing fair reward to the people who help the work of the company.
2. Review all forms of compensation including compensation based on performance and meeting allowance by considering the practices used in the same industry, the performance and size of the Company as well as the responsibility, knowledge, ability and experience of the directors and top executives required by the Company.

3. Consider the evaluation criteria for Chief Executive Officer Evaluation, Executive Director, and top executives as assigned by the Board of Directors.
4. Determine the annual remuneration of directors, Chief Executive Officer, Executive Director, and top executives based on the payment criteria that are considered. Propose to the Board of Directors for approval of the remuneration of the Chief Executive Officer, Executive Director, and top executives to the Board of Directors to propose to the shareholders meeting for approval.
5. Consider the suitability and approval in case of offering new shares to the directors and employees based on the principle of fairness to shareholders and to motivate the directors and employees to work towards long-term shareholder value creation as well as the ability to retain qualified personnel.

Company Secretary

The Company has appointed the Company Secretary in order to take care for activities of the Board of Directors as well as to support directors and the Company to comply with law and related regulations. Moreover, the Company Secretary will support the Company to have good Corporate Governance as well as to manage shareholder meetings and board meetings according to the law, company regulation, and other good practices including developing and storing documents for meetings and follow-up the resolution of shareholder meetings and board meetings.

As of December 31, 2017

Name-Surname		Title
1.	Mr. Natakrit Wannapinyo	Company Secretary

Note The Board of Directors has resolved in its meeting no. 7/2015 to approve the appointment of Mr. Natakrit Wannapinyo as the Company Secretary

Nomination of Director and Top Executives

In 2014, the Company has set up a nomination committee to select candidates to be appointed as directors in particular. The criteria for selection of candidates is person who have knowledge, experience and vision that facilitate the Company's business and qualified under Section 68 of the Public Limited Company Act B.E. 2535 and regulatory of Securities and Exchange Commission. The qualified candidates will be proposed to the Annual General Meeting for approval which has the following criteria for the appointment.

- 1) Each shareholder has one vote for one share.
- 2) Each Shareholder can use all his votes under (1) to elect one or more directors but cannot transfer voting rights to others.
- 3) Candidates who receive the highest score in descending order will be selected as directors in the required numbers of directors. In case, there are candidates that have same voting score, the Chairman has right to have final vote to select the last director.

When there is Annual General Meeting, one-third of the existing directors have to be retired. If the number of directors to be divided into three parts is indivisible, the number nearest to one-third will be used. The retired directors may be elected to get back into position.

Whenever the director position is vacant due to any reasons other than retirement by rotation, the Committee shall select a person who is qualified and not disqualified under the Public Limited Company Act as a director to fill a vacancy in next Board of Director's Meeting, except the term of directors is less than two months, such person will be in director position only for the remaining term of the director whom he replaces. Also, the resolution of the Board of Directors shall not less than three-fourths of the remaining directors.

Component and Selection of Directors

1. The Company must have at least five directors and not less than one-half of the directors must be resident in the Thailand Kingdom be qualified under related law.
2. At Annual General Meeting, shareholders elect directors under the rules and procedures below.
 - 2.1. Each shareholder has one vote for one share.
 - 2.2. Each Shareholder can use all his votes under (1) to elect one or more directors but cannot transfer voting rights to others.
 - 2.3. Candidates who receive the highest score in descending order will be selected as directors in the required numbers of directors. In case, there are candidates that have same voting score, the Chairman has right to have final vote to select the last director.
3. When there is Annual General Meeting, one-third of the existing directors have to be retired. If the number of directors to be divided into three parts is indivisible, the number nearest to one-third will be used. The retired directors may be elected to get back into position if the meeting has selected. Directors to be retired in the first year and second year after company registration raffle off whether who will be retired. For later years, directors who were in longest position shall retire from the position.
4. Any director who wishes to resign must submit a letter of resignation to the Company. The resignation is effective from the date of his resignation to the Company.
5. Whenever the director position is vacant due to any reasons other than retirement by rotation, the Committee shall select a person who is qualified and not disqualified under the Public Limited Company Act as a director to fill a vacancy in next Board of Director's Meeting, except the term of directors is less than two months, such person will be in director position only for the remaining term of the director whom he replaces. Also, the resolution of the Board of Directors shall not less than three-fourths of the remaining directors.
6. At the Annual General Meeting, shareholders may vote for discharging any director before the retirement by rotation with a vote of not less than three-fourths (3/4) of the number of shareholders presented and entitled to vote, and holding shares not less than one-half of the total shares held by the shareholders present at the meeting and entitled to vote.
7. Directors can be shareholders of the Company.

8. The Boards of Directors shall elect one director to be a chairman. Where the Board of Directors considers appropriate, one or several directors can be elected to be Vice Chairman and Chief Executive Officer. Vice President has responsibility according with Company's Affidavit which is assigned by Chairman.

Structure and Selection of Audit Committee

The Audit Committee of the Company must be a director who is appointed by the Board of Directors and approved by the shareholders of the Company. They are qualified under the Securities and Exchange Act, as well as the SET's regulations and / or regulations. At least one of the audit committee members must have knowledge of accounting and finance.

The Audit Committee has a term of office of 3 years, with one year meaning for the timing of the Annual General Meeting of Shareholders of the appointed year to the next annual general meeting. When the time expires if the Board of Directors or the shareholders' meeting has not yet appointed a new Audit Committee, the existing audit committee will continue to perform the duties until the Board of Directors or the Shareholders' Meeting will appoint a new Audit Committee to replace the existing Audit Committee and / or the term of office of the Company's director. The Audit Committee members must be independent directors and qualified as the Audit Committee as follows.

Qualification of Independent Directors

- The person holds less than 1% of ordinary shares of the company, parent company, subsidiary, associate, major shareholder or controlling shareholder of the company counting the shareholding of related parties of that independent director.
- The person is not or has never been the director participating in management, people hired by the company, employees, consultant who get fixed salary, or controlling shareholder of the company, parent company, subsidiary, associate, joint subsidiaries, major shareholder or controlling shareholder of the company. This prohibition does not include the person who has not been in the above status already for at least 2 years before asking the permission from SEC. This prohibited characteristic does not include the case that the independent director used to be government official or consultant of government agency who is the major shareholder or controlling shareholder of the company.
- The person who does not have blood relation or legitimation in form of father, mother, spouse, sibling, and child including spouse of child or any executive, major shareholder, controlling shareholder, or any person nominated as the executive or controlling shareholder of the company and subsidiaries.
- The person does not have or never have the business relationship with the company, parent company, subsidiary, associate, major shareholder or controlling shareholder of the company in the characteristic that can be obstacle of independent consideration. Moreover, the person is not or has never been the significant shareholder or controlling shareholder of any company who has business relationship with the company, parent company, subsidiary, associate, major shareholder or

- controlling shareholder of the company. This prohibition does not include the person who has not been in the above status already for at least 2 years before asking the permission from SEC.
- The person is not or have never been the auditor of the company, parent company, subsidiary, associate, major shareholder or controlling shareholder of the company. Moreover the person is not significant shareholder, controlling shareholder, or partner of auditor's office that the auditor of company, parent company, subsidiary, associate, major shareholder or controlling shareholder of the company belongs to. This prohibition does not include the person who has not been in the above status already for at least 2 years before asking the permission from SEC.
 - The person is not or have never been the professional service provider of the company including legal advisor and financial advisor who gets the compensation more than 2 million baht per year from the company, parent company, subsidiary, associate, major shareholder or controlling shareholder of the company. Moreover the person is not significant shareholder, controlling shareholder, or partner of that professional service provider. This prohibition does not include the person who has not been in the above status already for at least 2 years before asking the permission from SEC.
 - The person is not the director appointed as the representative of the company, major shareholder or any shareholder connected to major shareholder.
 - The person does not work for another organization running the same business and significantly competing with the company or subsidiaries. Also the person is not significant partner, director involving with the management process, employee, or people employed by the company and getting compensation in form of salary. Moreover, the person does not hold more than 1% of ordinary shares with voting rights in another company running the same business and significantly competing with the company or subsidiaries.
 - The person does not have characteristic that make him unable to provide opinion about the operation of the Company independently.
 - The independent director as above qualification can be assigned by the Board of Directors to make decision in the company, parent company, subsidiary, associate, major shareholder or controlling shareholder of the company under the collective decision.

Qualification of Audit Committee

The Audit Committee shall have the same qualifications as the Independent Directors mentioned above and there are additional features as follows.

- Not be a director assigned by the Board of Directors in making decisions on the operation of the Company, its parent company, subsidiaries, associates, major shareholders, or the controlling person of the Company and
- Not be a director of the parent company, subsidiary or subsidiary company of only listed companies.
- Have sufficient knowledge and experience to be able to serve as a member of the Audit Committee, at least one member of the Audit Committee must have sufficient knowledge and experience to be able to review the reliability of the financial statements.

- Have duties similar to those specified in the Notification of the Stock Exchange of Thailand regarding the qualifications and scope of work of the Audit Committee.

Structure and Selection of Executive Committee

The Executive Committee shall be a director and / or executives of the Company appointed by the Board of Directors. The number of member as deemed appropriate by the Board of Directors. The Board of Directors shall appoint one Executive Committee member to be the Chairman of the Executive Committee. The Executive Committee shall have the term of office in the Company except for persons appointed by the Board of Directors as executive directors who are not in the Company. The term of office shall be determined by the Board of Directors.

Structure and Selection of Risk Management Committee

The Risk Management Committee shall be a director and / or executives of the Company appointed by the Board of Directors. The number of member as deemed appropriate by the Board of Directors. The Board of Directors shall appoint one Risk Management Committee member to be the Chairman of the Risk Management Committee

Structure and Selection of Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be appointed by the Board of Directors. It consists of not less than 3 directors and should consist of independent directors and non-executive directors. The Board of Directors shall appoint an independent director in Nomination and Remuneration Management Committee member to be the Chairman of the Nomination and Remuneration Management Committee

Structure and Selection of Chief Executive Officer

Chief Executive Officer has been nominated by nomination committee by selecting from the current member of executive committee. Then, the nominated person will be proposed to the Board of Directors of the Company for approving to be the Chief Executive Officer.

Term of Office of the Board of Directors

Name-Surname	Title	Term of Office
Assoc.Prof.Dr. Montri Suciyanurak	Chairman	19/07/2014 - present
Ms. Patraporn Wannapinyo	Vice Chairman	30/11/1992 - present
Mr. Sompong Wannapinyo	Director	30/11/1992 - present
Mr. Phusit Laithong	Director	27/03/1995 - present
Mr. Pirath Yensudjai	Director	19/07/2014 - present
Mr. Natakrit Wannapinyo	Director	19/07/2014 - present
Mr. Sudhitham Chirathivat	Independent Director	19/07/2014 - present
Assoc.Prof.Dr. Gallayanee Parkatt	Independent Director	19/07/2014 - present

Meeting of the Board of Directors

The Company has arranged the board meeting consistently and at least 4 times a year. The special meeting can be arranged if necessity. The agenda for each meeting will be determined clearly and the invitation for meeting is submitted at least 7 days in advance so that the directors can study related information before the meeting. The information during meeting is recorded in written format in order to be checked by the directors or related parties.

The record of meeting attendance in 2017 is as follows.

Name	Title	Executive Committee	Board of Directors	Audit Committee	Risk Committee	Nomination and Remuneration Committee
Assoc.Prof.Dr. MontriSocatiyanurak	Chairman / Independent Director		6/6	4/4		1/1
Ms. PatrapornWannapinyo	Vice Chairman	12/12	5/6			1/1
Mr. SonpongWannapinyo	Director / Chairman of Advisory Board		6/6			
Mr. PhusitLaithong	Director	12/12	6/6		2/2	
Mr. PirathYensudjai	Director	12/12	6/6			
Mr. NatakritWannapinyo	Director	10/12	5/6			
Mr. SudhithamChirathivat	Director / Independent Director		5/6	3/4	2/2	1/1
Assoc.Prof.Dr. GallayaneeParkatt	Director / Independent Director		6/6	4/4	2/2	

Note: The 2017 Annual General Meeting of Shareholders held on April 25, 2017 has the resolution to re-elect Mr. SudhithamChirathivat and Assoc.Prof.Dr. GallayaneeParkatt for another term.

Remuneration of the Company's Directors and Executives

Monetary Remuneration

a. Remuneration of Directors

The Annual General Meeting of Shareholders No. 1/2017 on April 25, 2016 has the resolution to approve the remuneration of directors in form of meeting allowances and quarterly remuneration with total maximum amount of 2,000,000 baht per year as follows.

1. Meeting Allowances

Title	Meeting Allowance per meeting (Baht)
Chairman	20,000
Director	15,000
Chairman of Audit Committee	20,000
Audit Committee / Independent Director	15,000
Chairman of Risk Management Committee	20,000
Risk Management Committee	15,000
Chairman of Nomination and Remuneration Committee	20,000
Nomination and Remuneration Committee	15,000

2. Quarterly Remuneration

Title	Quarterly Remuneration (Baht)
Chairman	30,000
Director	30,000

In 2017, total remuneration of directors is 935,000 baht (Nine Hundred and Thirty Five Thousand Baht) which is less than the approved amount of 2,000,000 baht.

(Unit : Baht)

Name	Director			Audit Committee		
	2015	2016	2017	2015	2016	2017
1. Mr. Somporn Wannapiyo	-	-	-	-	-	-
2. Ms. Paraporn Wannapiyo	-	-	-	-	-	-
3. Mr. Phusi Laitong	-	-	-	-	-	-
4. Mr. Prachya Sudjai	-	-	-	-	-	-
5. Mr. Natxiri Wannapiyo	-	-	-	-	-	-
6. Assoc. Prof. Dr. Mont Socratyanurak	140,000	120,000	240,000	120,000	80,000	80,000
7. Mr. Sudhitham Chirathivast	105,000	90,000	195,000	90,000	60,000	145,000
8. Assoc. Prof. Dr. Gallayane Parkatt	105,000	90,000	210,000	90,000	60,000	60,000
Total	350,000	300,000	645,000	300,000	200,000	185,000

Name	Risk Management Committee			Nomination and Remuneration Committee		
	2015	2016	2017	2015	2016	2017
1. Mr. Somporn Wannapiyo	-	-	-	-	-	-
2. Ms. Paraporn Wannapiyo	-	-	-	-	-	-
3. Mr. Phusi Laitong	-	-	-	-	-	-

4. Mr. PirathYensudjai	-	-	-	-	-	-
5. Mr. NatakritWannapinyo	-	-	-	-	-	-
6. Assoc.Prof.Dr. MontriSocatiyanurak	-	-	-	-	40,000	20,000
7. Mr. SudhithamChirathivat	20,000	20,000	40,000	-	30,000	15,000
8. Assoc.Prof.Dr. GallayaneeParkatt	15,000	15,000	30,000	-	-	-
Total	35,000	35,000	70,000	-	70,000	35,000

a. Remunerations of Executives of the Company and Subsidiaries

Remuneration	2015		2016		2017	
	Number (People)	Number (People)	Number (People)	Number (People)	Number (People)	Number (People)
Salary and bonus	9	24,064,000	10	26,068,000	13	26,984,378
Provident fund	9	1,502,740	8	1,639,800	11	1,692,912
Others	9	4,499,755	10	4,301,382	13	5,072,589
Total		30,066,495		32,009,182		33,749,879

- Note :
- The Company has established the provident fund in June 2010.
 - Others include various welfare e.g. company car allowance, fuel cost, and medical cost , etc.
 - There are 3 executives from TV Thunder Public Company Limited including Mr. PirathYensudjai, Ms. NapatWannapinyo, and Mr. NatakritWannapinyo who got the remuneration as the executives of the Company and subsidiaries
 - The remuneration in form of salary of Mr. SompongWannapinyo included the monthly compensation for the title of the Chairman of the Advisory Board

Other Remunerations

- None -

Personnel

As of December 31, 2017, the personnel of the Company consists of 136 persons with the following details

Department	2017
Executive Level	8
Investment and Finance Division	11
Marketing and Selling Division	10
Administrative Division	22
Business Development Division	11
Production Division	74
Total	136

Human Resource Development Policy

The company always realizes that all employees are valuable assets to the company. It is the success factor of achieving the organization's goals. The Company respects and act in accordance with the law, the Code of Ethics for fairness, stability, and peace of employees. The Company is committed to fair treatment in terms of opportunity, compensation, appointment and relocation, and proper welfare, as well as the continuous development of personnel. This development has the purpose to increase the potential of employees in order to work towards the goal and to support the future growth of the Company as well as to be able to compete at international level. The Company has organized many trainings and site visits within and outside the Company including in foreign countries so that employees can increase their capability and skills in their works. As the commitment to be the leading content producer with international standard with excellent quality, the Company has focused on human resource development to increase their professionalism.

The Company also focuses on employee retention so that they can work together to achieve a success in the future. The Company has done the program about talent management continuously. The program places high potential employees in the special track focusing on increasing their work potentials and career advancement. Moreover, the Company has arranged good working environment and atmosphere so that employees can show their creative ideas. Moreover, the evaluation system has been developed to provide appropriate compensation based on the performance of employees.

- **Internal Training.** The Company provides training starting from training to new employees so that they can understand the business of the company including corporate culture and the system designed to help new employees learn and adapt to the organization as well as to increase the knowledge and ability to work. The Company provides regular training to its employees, and in 2017, the Company launched the TVT Talk 2017 program by inviting outside speakers to provide knowledge and experience. In addition, the "Creative Show Case" opens up opportunities for agencies to send staff representatives to share their work experiences. In 2017, the Company provided 12 training courses. The number of training hours is 22.79 hours per person per year.
- **External Training.** The Company encourages employees to attend seminars organized by the external training institute to increase knowledge or study new innovations in various areas that change, which can be applied to improve the performance and competitiveness of the organization. In the year 2017, the Company sent employees for outside training in 9 courses with 16 executives and employees attended.
- **Site Visit.** The Company promotes the development of personnel at all levels in the organization to be effective to drive and prepare the organization for the competition as well as to become a nationally and internationally renowned content producer. The site visit is conducted both in the country and abroad to enhance the skills related to the job. The Company has given employees the opportunity to study the entertainment industry abroad to inspire and open the opportunity to exchange learning for utilizing in the organization.

10. Corporate Governance

10.1 Corporate Governance Policy

The Board of Director of the Company has resolved in its meeting no. 1/2014 (after going public) held on December 3, 2014 to determine the corporate governance policy according to the guideline of the Stock Exchange of Thailand. All directors, executives, and employees of the Company will act according to the guideline in order to operate efficiently with transparency. The Board of Directors of the Company has worked based on the Corporate Governance Policy, Policy Statement on Code of Best Practices of Directors of Listed Companies as well as rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. The Company would like to increase the standard governance policy to the international level to create confident to shareholders, investors, and other related parties.

Based on the commitment for corporate governance in 2017, the Company has got the score of 99.00 points from the assessment of 2017 Annual General Meeting of Shareholders from the Annual General Meeting of Shareholders Assessment Project (AGM Project) by Thai Investors Association (TIA) which is higher than the year 2016.

The principal of Corporate Governance consists of 5 principals as follows.

1. Rights of Shareholders

The Company realizes the importance of equal rights to shareholders such as the trading rights, profit sharing rights, rights to get information, the right on participation in the important decision making subjects of the Company such as; appointment or termination of Director, appointment of auditor, allocation of dividends, amendment of the Company's regulations and Memorandum of Association, capital increase or decrease, etc. Moreover, the Company has taken the following actions during the 2017 Annual General Meeting of Shareholders.

- 1) The Company has published the agenda of shareholder meeting in the Company website (www.tvthunder.co.th) before delivering the invitation letter to shareholders at least 7 days before the meeting date including the information about date, time, venue, agenda, other related documents, as well as related rules and regulations in attending the meeting and voting. Shareholders can ask for more information from Investor Relation ("IR") at Tel. 0-2559-0022 or E-mail: ir@tvthunder.co.th.
- 2) In case that shareholder cannot attend the meeting, the Company opens opportunity to shareholders to give proxy to Independent Director or any other person by using one of the proxy forms already delivered with the invitation of meeting.
- 3) Prior to the shareholders meeting, the Company opens opportunity to shareholders to send in their comments, suggestion, and questions before the meeting date. During the meeting, the Company will allocate appropriate time, and opens opportunity to shareholders for comments, suggestion, and questions in various agenda freely and independently. The Company will provide enough information to shareholders.

- 4) All directors have attended the meeting so that shareholders can ask the questions.
- 5) The Company makes the meeting minutes including all information accurately and completely in order to be examined by shareholders.

The 2017 Annual General Meeting of Shareholders was held on April 25, 2017 Green Park Studio BCD, 8 Soi Rom Klao 78 Yak 1, Saphan Sung, Saphan Sung, Bangkok 10240. All directors have attended the meeting including Chairman of the Board of Directors, Chairman of Nomination and Remuneration Committee, Chairman of Risk Management Committee, Chairman of Executive Committee, and Chief Executive Officer. All independent directors and all top executives have attended the meeting.

In the 2017 Annual General Meeting of Shareholders, the Company allows minority shareholders to propose the meeting agenda as well as to nominate those who are qualified to be the directors of the Company. The Company has distributed the invitation letter via the system of the Stock Exchange so that any shareholder can propose the meeting agenda and nominate the candidate for the election of directors in 2017 Annual General Meeting of Shareholders. Moreover, the Company has also published the criteria and guideline in the website of the Company as well as notified the results to shareholders via the system of the Stock Exchange.

2. Equitable Treatment of Shareholders

The Company has the policy to treat and protect shareholders' rights equally including inside shareholders or outside shareholders, majority shareholders or minority shareholders. This is to ensure to shareholders that Board of Directors and management team of the Company will use the fund appropriately. The Company has determined the guideline in order to treat and protect shareholders' rights equally. During the shareholder meeting, the Company will allow shareholders to nominate people who will be considered to be directors in advance. If shareholders cannot attend the meeting, the Company opens opportunity to shareholders to give proxy to Independent Director or any other person. The meeting will follow the Company regulation and meeting agenda. The Company will provide documents related to each issue clearly and appropriately. The Company will not include any additional agenda without advance notification, especially the agenda that required the voting of shareholders.

On protection of insider information, the Company has determined protection measures on insider trading of person related to Directors, Executive, employee, and person employed by the Company who may utilize inside information to seek for their own benefits. The Company has the written guideline and informs all people to act accordingly. The Company has assigned the Board of Directors to judge if any director and/or executive are in the trial of using inside information for their own benefits. Chief Executive Officer will punish the guilty person according to the regulation. The Company has informed 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 Section 59 of the Securities and Exchange Act B.E. 2535

3. Roles of Stakeholders

the Company recognizes the important role of all stakeholders including customers, employees, trade partners, shareholders or investors, creditors, and communities, etc. The stakeholders should be supported by the Company according to related regulations. The Company will not violate any right of stakeholders as specified in the laws or any agreement. The Company has considered the process in supporting the participation

of stakeholders according to their roles and duties in order to enhance the performance of the Company and to create business stability as well as fair benefits for all parties.

Moreover, the Company has provided the channel for stakeholders to inform, complain, inform about Anti Corruption, claim for any infringement, communicate, or suggest to the Board of Directors via independent directors or Audit Committee or Company Secretary as follows.

1. E-mail can be sent to Audit Committee or the Board of Directors

Address to Mr. Natakrit Wannapinyo
Company Secretary
Email : secretary@tvthunder.co.th

2. Postal mail can be sent to Audit Committee or the Board of Directors

Address to Mr. Natakrit Wannapinyo
Company Secretary
TV Thunder Public Company Limited
1213/309, Soi Ladprao 94 (Panjamit), Sriwara Road
Kwang Plubpla, Khet Wang Thong Lang, Bangkok 10310

To comply with Copyright Act B.E.2537 and to honor copyright owners of any literature or song, the Company has made the notification about "the declaration as the copyright owners" on the website www.tvthunder.co.th so that the copyright owners can declare their copyrights to the Company.

The Company has considered the process in supporting the relationship between the Company as stakeholders in order to create stability in term of financial stability and business stability as follows.

- The Company has realized the importance of all level of employees by treating them equally and fairly and provided the appropriate compensation for each employee. Moreover, the Company focuses on developing the potential and capability of employees. The Company also concerns about the work environment including safety and living quality of employees.
- The Company purchases products and services from partners according to the term of trade and agreement in order to create long-term benefits for both parties.
- The Company will act according to the loan agreement.
- The Company will be responsible to customers in term of product quality and providing good and standard services. The Company will protect customer's privacy and use the fair pricing to determine the selling price of goods and services.
- The Company will compete in fair competition under rules and will not use any unethical actions to damage competitors.

- The Company will be responsible to communities and nearby society including environment. The Company will also support the public utility of communities as well as improve the environment of communities in order to increase the living quality.

4. Disclosure and Transparency

The Company's Board of Directors realizes that the importance of information disclosure must be correct, complete and transparent on the general reports of financial information and general information. The disclosure must be on the accessible channel with equally accessibility and reliability. The important information includes general reports of financial information and general information under regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

The Company will control the quality of financial report so that it is accurate according to the acceptable accounting standard and audited by independent certified public accountant approved by the Securities and Exchange Commission. Moreover, the Company will disclose information about transparency of business operation including the information about responsibility of the Board of Directors and audit committee e.g. number of times that they attended the meeting during the year. The Company also discloses about remuneration of directors and top executives including the format and characteristic of remuneration. Moreover, the Company discloses the corporate governance policy and its results. All information will be disclosed to public via the channel by the Securities and Exchange Commission, and the Stock Exchange of Thailand, as well as the website of the Company as follows.

1.1 Disclose information in Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)

The Board of Directors of the Company has made Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) to disclose accurate, complete, and clear information to public according to the regulation of the Stock Exchange of Thailand. This includes information about business operation and performance in recent year, which can be useful for shareholders and stakeholders.

1.2 Disclose information via SET Community Portal and the website of the Company

The Company has disclosed information via SET Community Portal of the Stock Exchange in both Thai and English. The Company has also provided the communication channel and disclosed information in the website of the Company, which can be downloaded from the website www.tvthunder.co.th

1.3 Investor Relations

The Company has set up the Investor Relations as its representative to communicate and do the public relation for any information and activity that can be useful to shareholders, investors, security analysts, and any interest person. Investors can contact the Investor Relations of the Company via Email ir@tvthunder.co.th or Tel. 0-2559-0222 ext. 155.

1.4 Office of Company Secretary

The Board of Directors of the Company has set up the Office of Company Secretary to be responsible for arranging the important meetings e.g. meeting of the board of directors, meeting of appointed sub-committee, shareholder meeting, etc. It is also responsible to disclose information according to the regulation of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The disclosed information must be accurate, complete, and transparent and has been reviewed by

authorized persons. Investors can contact the Office of Company Secretary via Email secretary@tvthunder.co.th

5. Board Responsibilities

The Company's Board of Directors consists of knowledgeable members with capabilities and experiences who contribute to the Company. The Board of Directors is independent in making decision to maximize benefits of the Company and shareholders. The Board of Directors will determine the policy and supervise executives, as well as to assess the performance of the Company compared to the determined goal. The Board of Directors of the Company consists of 9 members including 5 directors who are executives and 4 directors who are not executives. There are 3 directors who have the qualification as independent directors. The number of independent directors is more than one-third of total number of directors that is appropriate to balance with the power of executives. Moreover, the Company has appointed the Audit Committee consisting of 3 independent directors with the term of office of 3 years. The role and responsibility of the committee is clearly defined in the charter of Audit Committee.

The Company has the clear and transparent process in determining the remuneration that needs to be approved by shareholders. The remuneration is considered based on the responsibility of each director in order to motivate and retain knowledgeable directors to work with the Company. Moreover, the remuneration should be comparable within the same industry or with similar industry.

The Board of Directors has understood the responsibility and provides their opinion independently with up-to-date information. They also work honestly and carefully by considering the highest benefits of the Company and fairness to all shareholders. Moreover, the Company needs to spend their time to work according to the responsibility by attending the meeting unless they have exceptional reasons.

Moreover, the Board of Directors has realized the importance of information disclosure to shareholders. The disclosed information must be accurate, complete, transparent, coverage, and in a timely manner including financial report, performance report, and other related information affecting the price of security of the Company according to good governance principal. The information must be disclosed so that shareholders, investors, or related people can use for their investment decision using various channels like sending by post, media of Stock Exchange and SEC, as well as the website of the Company after the ordinary shares of the Company are listed for trade in the Stock Exchange.

Evaluation of the Board of Directors

In 2017, the Company conducted self-assessment of its Board of Directors. Each director will evaluate the performance of the entire Board of Directors to review the performance of the Board of Directors in accordance with the good corporate governance policy.

Evaluation of Chief Executive Officer

The Board of Directors has assigned the directors who are not in executive positions will be responsible to evaluate the performance of Chief Executive Officer in 2017. This evaluation is used for compensation plan. The Chairman of the Board of Director will be responsible to inform the evaluation result and any suggestion to Chief Executive Officer for further improvement.

Personal Development for Directors, Company Secretary, and Top Executives.

The Board of Director has encouraged personal development of directors, executives, and company secretary by supporting them to attend activities, trainings, or seminars organized by the Stock Exchange of Thailand or the Office of SEC as well as other organizations to obtain more useful knowledge for working.

In 2017, the directors and executives of the Company joined the following programs.

Directors/Executives		Program
1. Mrs. Patraporn Wannapinyo	Vicer Chairman Nomination and Remuneration Committee Chief Executive Officer	*Leadership for Change Cohort 8 * Training about Security Awareness and Organizational Management Using Social Network * New Concepts of Risk Management for Listed Companies
2. Mr. Phusit Laithong	Director Risk Management Committee Vice President	* New Concepts of Risk Management for Listed Companies
3. Ms. Piyaporn Laithong	Risk Management Committee Senior Vice President	* New Concepts of Risk Management for Listed Companies
4. Ms. Naree Wichunakorn	Risk Management Committee Vice President Chief Executive Officer (CFO)	* CFO In Practice Batch 7 * Techniques in Tax Planning for Reducing Errors * New Concepts of Risk Management for Listed Companies

10.2 Nomination and Appointment of Directors

The Board of Directors is appointed by the shareholders at the Annual General Meeting of Shareholders. At every meeting, one third of the directors shall retire. If the number of directors can not be divided into three parts take out the closest amount to one of the three. The directors who have to leave the position should be the directors who have been appointed for longest period. The directors who retire by rotation may be re-elected.

In 2014, the Company has set up a nomination committee to select candidates to be appointed as directors in particular. The criteria for selection of candidates is person who have knowledge, experience and vision that facilitate the Company's business and qualified under Section 68 of the Public Limited Company Act B.E. 2535 and regulatory of Securities and Exchange Commission. The qualified candidates will be proposed to the Annual General Meeting for approval which has the following criteria for the appointment.

- 1) Each shareholder has one vote for one share.

2) Each Shareholder can use all his votes under (1) to elect one or more directors but cannot transfer voting rights to others.

3) Candidates who receive the highest score in descending order will be selected as directors in the required numbers of directors. In case, there are candidates that have same voting score, the Chairman has right to have final vote to select the last director.

When there is Annual General Meeting, one-third of the existing directors have to be retired. If the number of directors to be divided into three parts is indivisible, the number nearest to one-third will be used. The retired directors may be elected to get back into position.

Whenever the director position is vacant due to any reasons other than retirement by rotation, the Committee shall select a person who is qualified and not disqualified under the Public Limited Company Act as a director to fill a vacancy in next Board of Directors Meeting, except the term of directors is less than two months, such person will be in director position only for the remaining term of the director whom he replaces. Also, the resolution of the Board of Directors shall not less than three-fourths of the remaining directors.

10.3 Supervision on the Operations of Subsidiaries

The Board of Directors of the Company has determined the mechanism to supervise the subsidiaries in order to protect the investment of the Company by assigning some people as the representative of the Company to be the director or executive in order to control the operations of subsidiaries. Moreover, the role and responsibilities needs to be determined clearly. Moreover, there should be the mechanism in supervising the disclosure of financial report and connected transactions according to related rules and regulations. Moreover, they must be followed up in order to evaluate and inspect by good internal control system in order to ensure that the operation of subsidiaries will be for highest benefit of the Company.

10.4 Supervision on the Use of Inside Information

The Board of Directors of the Company has resolved in its meeting no. 1/2014 held on December 3, 2014 to determine the regulation about using insider information for the benefits of themselves or other people with the following details.

1. Directors, executives and employees of the Company must act as follows.
 - a) Maintain secrecy and/or inside information of the Company.
 - b) Do not disclose secrecy and/or inside information of the Company and use them in order to seek for the benefits of themselves or any other people directly or indirectly regardless of any compensation.
 - c) Do not trade, transfer, or being transferred of securities of the Company using secrecy and/or inside information of the Company and/or do any transaction using secrecy and/or inside information of the Company that can create any damage to the Company directly or indirectly.

Therefore, directors, executives, employees, or people employed by the Company in the department getting inside information should avoid trading securities of the Company during 1 month before the financial statement will be officially disclosed to public. This restriction includes spouse

and minor child of directors, executives, employees, or people employed by the Company. Those who violated the above regulation are treated as serious misconduct.

2. Directors and executives of the Company as well as auditors need to report the holding of securities of the Company including their spouse and minor child to Securities and Exchange Commission according to Section 59.
3. The Company has announced the regulations to all directors, executives, employees, or people employed by the Company.

10.5 Auditor Fees

1. Audit Fee

The Company and subsidiaries paid the audit fee to PricewaterhouseCoopers ABAS Co., Ltd. for the year 2015-2018 as follows.

Item	2015	2016	2017
TV Thunder Public Company Limited	1,650,000	1,796,000	1,796,000
Subsidiaries	970,000	1,315,600	1,315,600
Total	2,620,000	3,111,600	3,111,600

2. Non-Audit Fee

The Company and subsidiaries also paid expenses related to the service e.g. travelling expense, fax and telephone expense, and photocopy expense. The Company paid the amount of 125,487 baht in 2015, 86,191 baht in 2016 and 217,801 baht in 2017 to PricewaterhouseCoopers ABAS Co., Ltd.

11. Corporate Social Responsibility: CSR

The Company has a business policy that is responsible to social, environment, and stakeholders according to the principal of corporate social responsibility provided by the Stock Exchange of Thailand. There are 8 principals including Fair Business Operation, Anti-Corruption, Respect on Human Rights, Fair Treatment of Labor, and Responsibility on the Consumers, Environmental Management, Community Development, Innovation and Publication of Innovation from the Social Responsibility.

The Company has determined the clear business policy in creating entertainment media that is beneficial to society and environment. This policy is one of the business goals of the Company in order to create benefit and responsibility to society. The main policy is to create entertainment media that is beneficial to society. The Company has changed its slogan to support this issue by changing from "TV Thunder" to "TV Thunder Green entertainment"

Moreover, the Board of Directors of the Company has resolved in its meeting no. 1/2014 (first time after going public) held on December 3, 2014 to approve the Handbook of Good Governance and Business Ethics as the guideline for all personnel to work transparently. The Company also determined the regulations in order to create equality in working. Moreover, there is supervision for preventing the conflict of interest including

corruption by Certified Public Accountant approved by Securities and Exchange Commission (SEC) and internal auditor. This is to ensure the Company has realized the rights of all stakeholders as specified in the law and policy including the guideline for working with shareholders, employees, customers, trade partners, etc.

Fair Business Operation

The Company has produced the entertainment media including TV program, drama series, and advertising. The Company has transparent operation the can be inspected. Moreover, the Company has disclosed information to stakeholders in order to know information equally. The Company has prevented the directors, executives, or employees to use their status to seek for their own benefits. Moreover, the directors cannot involve with competing business in order to avoid the conflict of interest.

Anti-Corruption

The executives must work honestly with the good vision and do not concern only their own benefits. They must not disclose secrecy or inside information to other people in order to seek for benefits. This also includes all employees of the Company. The Company has determined the policy for anti-corruption in Corporate Governance Policy. There is an internal control unit who can provides the advice, inspect, assess, and follow-up of internal control system, risk management system, and corporate governance in order to report to the Audit Committee whether they are efficient and sufficient.

The Company has signed to show the intent to join Collective Anti-Corruption Coalition (CAC), which is the cooperation from private sectors and many large non-profit organizations including Thai Institutes of Directors, Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Organizations, and Federation of Thai Industries. The objective is to create the standard of professional ethics in business. The Company has declared its intention to join for anti-corruption on March 1, 2016 and has informed stakeholders.

Respect on Human Rights

Human right is the basic right of all people and is considered as global moral that all people have rights equally and such rights cannot be violated because of a difference in nationality, religion, race, social status, or gender, etc. The Company has respected in human rights of all directors and employees.

Fair Treatment of Labor

The Company has determined the policy for fair treatment of all employees regardless of their positions or levels including fair compensation. The Company has set up the provident fund for employees and ensured for good work environment.

The Company also realizes for the importance of safety and health of employees and related parties. The Company has set up the committee for safety, occupational health, and work environment to control and monitor about safety, occupational health, and work environment in the Company. The committee is also responsible to organize the training about safety, occupational health, and work environment for employees so that they realize about rule and regulation regarding to safety.

The Company has appointed the committee to get complaints from employees and determined the fair process in considering the complaints so that all employees can discuss, provide the comments, or get the advice from the committee.

Responsibility on the Consumers

The Company has produced the drama series in order to promote the value to society like "LuangtaMahachon" that have many good idea in every week so that the society will get benefit from watching the program. Moreover, in the TV program production process, all programs will be screened in order to avoid inappropriate contents before showing to the public. The production unit will be responsible directly before sending the contents to be evaluated by the specific unit of TV station for screening again. After passing all screening process, the program will be shown to the public.

Environmental Management

The Company has realized the importance of energy conservation. In 2016, the Company has the program named "4S" which is 1. Save Energy, 2. Save Money, 3. Save World, 4. Save for TV Thunder. The activity in this program is to change the lighting system to be LED. LED can reduce electricity usage because it consumes less energy. LED also releases less heat that allows the Company to save the energy cost from air conditioners. The useful life of LED is also longer.

Moreover, the Company has the program for energy conservation, water usage reduction, turning off air-conditioners during lunch break, use 2 sides of papers, as well as purchasing goods with environmental friendly.

Community Development

TV Thunder Public Company Limited is committed to run the business with social responsibilities. The Company has supported many activities for society and joined with government agencies or private organizations in many charity events in order to maximize benefits of community and society. In 2017, the Company did many activities that are benefit to society with the following details.

1. The Company has included moral ideas and contents that are benefit to society and community in the drama series LuangtaMahachon in order to support people in society and community in applying in their lives.

2. The Company has supported and joined in organizing many charity events as follows

* On February 27, 2017, the Company donated the medical equipment in "SampadJor ... Tor Chevit" with Phramongkutklao Hospital and the foundation of Phramongkutklao Hospital under Royal Patronage as well as took the artists to join the activities.

* On April 4, 2017, the Company with Sonda Bangkok 9 Club organized "The Gift of Footwear for Underprivileged Children" by giving 10,000 pairs of shoes and 20,000 pairs of socks by TV Thunder Public Company Limited also gave the sport equipment to the schools.

* On May 6, 2017 the Company donated to Siriraj Hospital To create "84-year Nawamin Building" in the concert of His Majesty King BhumibolAdulyadej "Magic Moment, Song of Dee and Music of Tang" at the Queen Sirikit National Convention Center.

* On May 14, 2017, the Company in collaboration with EDA International, launched Kids Charity from Heart to Heart program with Rajavithi Hospital and donated "Foundation to Support Children's Heart Surgery at Rajavithi Hospital"

* On May 26, 2017, the representative from the Company came to visit "Her Royal Highness Princess MahaChakriSirindhorn to receive a gift as a supporter in producing the Pin for Ananda Mahidol Day 2017.

* On June 6, 2016, the representative from the Company came to visit "Her Royal Highness Princess MahaChakriSirindhorn to receive a gift as a supporter in producing the Pin for Ananda Mahidol Day 2016.

3. The Company with the *Thailand Convention & Exhibition Bureau (Public Organization) TCEB* organized Smart Village project to encourage and promote the Group or Organization intraveling to the Company Outing and CSR Trip activities in the community area in Thailand with cultural identity, lifestyle as well as produce products of the communities to generate incomes for people in the communities. In 2017, TV Thunder Public Company Limited joined the activity at Doi Mae SalongNok in Chiang Rai.

Innovation and Distribution of Innovation from the Social Responsibility

1. *The Company has the policy to accept student internship during the semester or the semester closed in order to share knowledge in operation to students who are interested in applying knowledge in their works. Students will learn about the production process of TV program from experience persons.*

2. *The Company has opened for schools and universities to bring students to visit the TV program production process in order to share the innovation. Students will see the process of program production as well as get the knowledge and see the actual practices of artists, performer, and moderators.*

3. *Distribution of innovation in working to the schools and universities by supporting the speakers who are the executives of the Company who have high experience, expertise, and professionalism in order to provide the lecture to students in schools or universities about TV program production.*

Internal Control and Risk Management

The Company recognizes the importance of internal control systems at both management and operational levels as well as the controlling of the use of the company's assets as well as the separation of duties, controlling and evaluating in order to balance and check each other properly.

The Company has appointed Aim To Propriety Co., Ltd as the internal auditors to check and evaluate to ensure that the core operations and financial activities of the company, operation, Information Technology has complied with applicable laws and regulations. Special Inspection has been implemented effectively. The internal auditors are independent and can check and balance the power as well as are required to report directly to the Audit Committee.

The Board of Directors recognizes the importance to risk management. The Company has set and assessed the risk of the business and determined risk prevention measures. This includes risks that affect the operations of the Company.

The Board of Directors of the Company had the meeting no. 3/2017 held on August 11, 2017 and no. 4/2017 held on November 9, 2017 which both directors and audit committee attended the meeting as well as asked the questions from management about the adequate of internal control of 9 systems as follows.

- Organization and Environmental System
- Accounting System
- Financial System
- Event & Communication System
- Marketing Communication System
- Production and Support System
- Warehouse System
- Legal System
- Security System

Based on this assessment, the Board of Directors is of the view that the Company and its subsidiaries have adequate internal controls to support their business operations. The protection of improprertyuse caused by management. There is an internal audit system that is independent in monitoring and evaluating internal controls. It also has a system for storing important documents to the auditor and the legal authority can check it within a reasonable time. The Audit Committee has the opinion that the Company and its subsidiaries have adequate internal controls and comply with the Securities and Exchange Act and Securities and Exchange Law. The financial statements and disclosures in the financial statements of the Company and its subsidiaries are accurate and complete complying with generally accepted accounting standards.

The Board of Directors has assigned the Audit Committee to supervise the management to ensure the effective internal control that is appropriate and concise covering all aspects in financial, accounting, operations. The implementation is in accordance with the relevant laws, regulations and regulations. The Company also provides a mechanism for monitoring and balancing that is effective enough to protect and maintain the capital of the Company's shareholders and its assets. The Internal Audit Office is responsible for monitoring, reviewing and following up the performance of all systems in accordance with the annual internal audit plan approved by the Audit Committee. The Board of Directors has acknowledged the report of the Audit Committee that reviewed and acknowledged the performance of the Internal Audit Office and improve the performance of the various departments to make the internal control more effective.

For the year 2017, the Board of Directors summarized the Opinions on sufficiency and suitability of the Company's Internal Control System in the Board of Directors Meeting No. 4/2017 held on November 9, 2017, it was found that the Company and its subsidiaries had an internal control system that is appropriate and sufficient for business operations. To protect the property from improper use of the management without authority, it requires an internal audit system that is independent in monitoring and evaluating internal controls. There is also an important document storage system that allows the auditor and the legal authority to inspect within a reasonable time.

12. Connected Transactions

The connected transactions with persons who may have conflicts of interest

In 2017, the Company has the connected transactions with persons who may have conflicts of interest as follows.

Persons who may have conflicts of interest	Relationship	Nature of transaction	Value
Mr. PhusitLaihong	The executive of the Company who is currently the director, executive committee, and vice president.	Hired as an actor : Magic Moment Concert that the Company was hired to produce	300,000
Mr. JetsadaOsatalert	The executive of Big Brain Co., Ltd. (the subsidiary) who is currently the director and managing director	Hired:producer/director for the program that the Company was hired to produce	197,600
Total			497,600

Opinions of Audit Committee

- None-

Audit Committee Report

To Shareholders

The Audit Committee of TV Thunder Public Company Limited has been appointed by the Board of Directors of the Company. The Committee consists of 3 independent directors, Assoc.Prof.Dr. MontriSocatiyanurak Chairman of Audit Committee, Mr. SudhithamChirathivat Audit Committee, and Assoc.Prof.Dr. GallayaneeParkatt Audit Committee. All of them are experts and qualified for the regulation of the Stock Exchange of Thailand. They have performed their duties as assigned by the Board of Directors according to Good Practice for Audit Committee of Stock Exchange of Thailand. In 2017, the Audit Committee has performed their duties independently. There is 4 meetings in 2017 with the following details.

1. The Audit Committee has reviewed the financial statement and consolidated financial statement of TV Thunder Public Company Limited and subsidiaries for both quarterly financial statement and annual financial statement of 2017. The Committee has worked with the auditor to ensure that the financial statement of TV Thunder Public Company Limited is accurate, complete, and reliable.
2. The Audit Committee has reviewed the connected transactions or transactions with conflict of interest to TV Thunder Public Company Limited to ensure that TV Thunder Public Company Limited has complied with the regulation of Stock Exchange of Thailand and other related regulations about the business of TV Thunder Public Company Limited
3. The Audit Committee has reviewed the internal control system quarterly to ensure that TV Thunder Public Company Limited has appropriate and sufficient internal control.
4. The Audit Committee has approved the internal audit plan for 2016 of TV Thunder Public Company Limited to ensure that the internal audit is efficient and effective. The Committee also reviewed the responsibility of internal audit department to ensure quality audit system.
5. The Audit Committee has selected and proposed the auditor and auditor's fee of 2016 for TV Thunder Public Company Limited based on qualification, experience, suitability, and independence of auditor. The committee has proposed Mr. PalboonTankool Certified Public Accountant (Thailand) No. 4298, Ms. NatapornPanudom Certified Public Accountant (Thailand) No. 3430, and Mr. PisitThanglanagul Certified Public Accountant (Thailand) No. 4095 from PricewaterhouseCoopers ABAS Ltd. as the auditor of TV Thunder Public Company Limited and subsidiaries.
6. The Audit Committee review the compliance with the Securities and Exchange Act, SET regulations, policies, regulations, and other laws relating to the business of the Company.
7. The Audit Committee report the performance of the Audit Committee to the Board of Directors for 4 times.

In conclusion, the audit committee has opined that TV Thunder Public Company Limited has good internal control system and complied with the regulation of Stock Exchange as well as related regulations. Moreover, the financial statement and information about financial statement of the Company and subsidiaries is accurate, complete, and reliable and comply with accounting standard. There is also an improvement for better quality to achieve the goal of the Company.



(Assoc.Prof.Dr. MontriSocatiyanurak)
Chairman of Audit Committee
TV Thunder Public Company Limited

Risk Management Committee Report

To Shareholders

The Risk Management Committee of TV Thunder Public Company Limited has been appointed by the Board of Directors of the Company. The Committee consists of 6 members, Mr. SudhithamChirathivat Chairman of Audit Committee, Assoc.Prof.Dr. GallayaneeParkatt, Mr. PhusitLaithong, Ms. PiyapornLaithong, Ms. NareeWichunakorn, and Mr.PirathYensudjai.

The Company has focused on improving the risk management system in order to cope with potential risks that may affect to the operation of the Company. The risk management committee has determined the risk management policy and effective control system, as well as the report of risk management to the Board of Directors.

In 2017, the Risk Management Committee had 2 meeting with the follows agenda and details.

1.The Board of Directors has resolved in its meeting no. 5/2017 held on November 22, 2017 to appoint Mr.PirathYensudjai as the risk management committee.

2.The risk management team has cooperated with all departments to develop the risk management plan Risk Management Committee to consider and determine the appropriate risk management plan.

3.The Risk Management Committee has cooperated with all departments to assess risks in every aspect that can affect to the Company and assigned related persons to implement.

4.The Risk Management Committee has developed risk management in 4 main areas which are strategic risk, financial risk, operational risk, and legal risk as well as other risks that may affect to the Company.

5.The Risk Management Committee has reviewed the risk management policy and monitor risk factors that may affect to the Company in order to control risk in the acceptable level or take action to prevent or solve in timely manner. The committee also provides the suggestion to improve the risk management system and report the results to the Board of Directors.

6.The Risk Management Committee has allowed all departments to consult and training with risk management consultants so that all employees can participate in risk management process. Employees will be able to review their knowledge and understanding about risk management and realize the importance of risk management.

The Risk Management Committee has commitment to manage and control risks so that the business of the Company can continue effectively.



(Mr. SudhithamChirathivat)

Chairman of Risk Management Committee
TV Thunder Public Company Limited

Nomination and Remuneration Committee Report

To Shareholders

The Nomination and Remuneration Committee of TV Thunder Public Company Limited has been appointed by the Board of Directors of the Company. The Committee consists of 3 members Assoc.Prof.Dr. MontriSocatiyanurak Chairman, Mr. SudhithamChirathivat Audit Committee, and Mrs. PatrapomWannapinyo.

In 2017, The Nomination and Remuneration Committee has 1 meetings and all committees have attended all meetings. The committee also reports to the results to the Board of Directors with the following details

1.The Nomination and Remuneration Committee has nominated of directors whose term of office has ended. The committee allows the minority shareholders to propose the qualified persons as candidates. However, there is no shareholder who nominates any qualified persons as the candidates for directors.

2.The Nomination and Remuneration Committee has reviewed the rule of The Nomination and Remuneration Committee to be appropriate with good governance guideline.

3.The Nomination and Remuneration Committee has determined the remuneration and other benefits for Board of Directors, Audit Committee, Nomination and Remuneration Committee, and Risk Management Committee in order to propose for approval from the Board of Directors and Annual General Meeting of Shareholders.

4.The Nomination and Remuneration Committee has set up the committee for evaluating the performance of Chief Executive Officer for 2017 to review the performance and provide the suggestion for improvement.



(Assoc.Prof.Dr. MontriSocatiyanurak)

.Chairman of Nomination and Remuneration Committee
TV Thunder Public Company Limited

Report about Accountability of Board of Directors on Financial Reporting

To Shareholders

The Board of Directors is responsible for the financial statement of TV Thunder Public Company Limited and subsidiaries. The financial statement must be prepared according to the accounting standard using appropriate accounting policy. Any discretion should be done carefully. Moreover, the information must be disclosed sufficiently and transparently in the note to financial statement based on the auditor report for benefits of shareholders and other investors.

The Board of Directors has developed the good governance as well as risk management and internal control system to ensure that the accounting records are accurate, complete, and sufficient so that it can prevent any fraud and improper action.

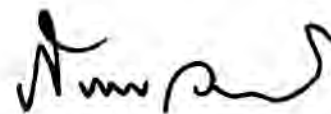
The Board of Directors has appointed the Audit Committee that consists of independent directors to control and review the accurateness of financial statement. The Audit Committee has reviewed the internal control system, risk management, and internal audit effectively. The opinion of Audit Committee has appeared in the Audit Committee Report in this Annual Report.

The Board of Directors has opined that the internal control and audit of the Company can ensure that the consolidated financial statement of TV Thunder Public Company Limited and subsidiaries as of December 31, 2017, has shown the financial position, financial performance, and cash flows accurately in accordance of accounting standard. The auditor has reviewed and provided the opinion in the auditor report as appeared in this Annual Report.



(Assoc. Prof. Dr. Montri Suciyanurak)

Chairman



(Mrs. Patraporn Wannapinyo)

Chairman of Executive Board

Financial Position and Performance

Part 3 : Financial Position and Performance

14. Financial Highlight

(a) Summary of the Opinion of Auditor

Financial Statement	:	Financial Statement for the Year 2017 as of December 31, 2017
Auditor and Opinion of Auditor	:	PricewaterhouseCoopers ABAS Co., Ltd. by Mr. Paiboon Tankul Certified Public Accountant No. 4298 as the auditor has performed the work in accordance with the auditing standards and provided unconditional opinion that the financial statements can show the financial position as of December 31, 2017 and operating performance and cash flows for the year ended. The financial statements have been prepared in accordance with generally accepted accounting principles.

Financial Statement	:	Financial Statement for the Year 2016 as of December 31, 2016
Auditor and Opinion of Auditor	:	PricewaterhouseCoopers ABAS Co., Ltd. by Mr. Paiboon Tankul Certified Public Accountant No. 4298 as the auditor has performed the work in accordance with the auditing standards and provided unconditional opinion that the financial statements can show the financial position as of December 31, 2016 and operating performance and cash flows for the year ended. The financial statements have been prepared in accordance with generally accepted accounting principles.

Financial Statement	:	Financial Statement for the Year 2015 as of December 31, 2015
Auditor and Opinion of Auditor	:	PricewaterhouseCoopers ABAS Co., Ltd. by Mr. Paiboon Tankul Certified Public Accountant No. 4298 as the auditor has performed the work in accordance with the auditing standards and provided Unconditional opinion that the financial statements can show the financial position as of December 31, 2015 and operating performance and cash flows for the year ended. The financial statements have been prepared in accordance with generally accepted accounting principles.

(b) Summary of Financial Position and Performance

Financial Position	Consolidated Financial Statement (Audited)					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and Cash equivalents	86.44	10.05%	65.75	8.56%	32.14	4.44%
Short-Term Investments	40.35	4.69%	0.98	0.13%	0.70	0.10%
Trade Accounts and Other Receivable - Net	126.14	14.66%	95.84	12.48%	86.70	9.31%
Short-term Loans to Related Parties	-	-	-	-	4.50	0.62%
Short-term Loans to Other Parties	3.00	0.35%	-	-	-	-
Inventories - Net	44.19	5.17%	17.50	2.29%	56.50	7.81%
Other Current Assets	17.83	2.07%	32.64	4.26%	38.57	5.34%
Total Current Assets	318.24	36.99%	242.71	31.61%	200.27	27.65%
Cash Restricted or Pledged	0.35	0.04%	2.09	0.27%	0.32	0.11%
Investment Accounted for Using Cost Method	277.11	28.37%	75.41	9.83%	59.11	8.15%
Investment in Associates	-	-	-	-	20.85	2.88%
Investment in Joint Venture	-	-	-	-	3.07	0.42%
Investment Property	55.49	6.45%	-	-	-	-
Property, Plant and Equipments - Net	234.72	27.28%	132.29	17.31%	125.51	17.77%
Computer Software - Net	0.89	0.08%	1.63	0.21%	1.17	0.16%
Goodwill	-	-	8.80	1.15%	8.30	1.15%
Deferred Tax Assets	5.30	0.63%	3.27	0.43%	6.02	0.83%
Other Non-Current Assets	0.17	0.02%	0.18	0.02%	0.51	0.07%
Total Non-Current Assets	542.13	63.01%	525.00	68.39%	524.04	72.35%
Total Assets	860.37	100.00%	767.71	100.00%	724.31	100.00%
Trade Accounts and Other Payable	137.90	16.02%	74.09	9.65%	45.59	6.30%
Current Portion of Long-Term Liabilities	-	-	-	-	0.90	0.13%
Other Current Liabilities	22.45	2.61%	21.94	2.86%	16.89	2.33%
Total Current Liabilities	160.35	18.64%	96.03	12.51%	63.38	8.76%
Deferred Tax Liabilities	0.02	0.00%	0.02	0.00%	0.00	0.00%
Finance Lease Liabilities	-	-	-	-	3.32	0.46%
Employee Benefit Obligation	12.84	1.49%	14.13	1.84%	15.88	2.19%
Total Non-Current Liabilities	12.86	1.49%	14.15	1.84%	19.20	2.65%
Total Liabilities	173.21	20.13%	110.18	14.35%	82.58	11.41%
Authorized Share Capital	200.00	23.25%	250.00	32.56%	250.00	34.52%
Issued and Fully Paid-up Share Capital	200.00	23.25%	200.00	26.05%	200.00	27.61%
Premium on Share Capital	331.84	38.56%	331.84	43.20%	331.84	45.79%
Premium from Share Swap	25.05	2.91%	25.05	3.26%	25.05	3.46%
Legal and Statutory Reserves	6.39	0.74%	3.89	0.51%	9.36	1.29%
Retained Earnings - Unappropriated	122.35	14.23%	93.71	12.20%	71.32	9.85%
Other Components of Equity	1.24	0.14%	0.46	0.06%	0.28	0.04%
Equity Attributable to Equity Holders of Parent Company	687.16	79.87%	654.75	85.29%	637.38	88.08%
Non-Controlling Interests	-	-	2.78	0.36%	0.26	0.03%
Total Equity	687.16	79.87%	657.53	85.65%	641.77	88.59%
Total Liabilities and Equity	860.37	100.00%	767.71	100.00%	724.31	100.00%

Statement of Comprehensive Income	Consolidated Financial Statement (Audited)					
	2015		2016		2017	
	%	Million Baht	%	%	Million Baht	%
Revenue from Advertising	334.22	53.67%	307.24	50.53%	224.46	42.33%
Revenue from Rendering of Services	189.96	35.19%	198.69	33.15%	200.71	46.73%
Revenue from Artist Management	0.84	0.12%	1.82	0.32%	3.63	0.85%
Revenue from Sale of Books	0.13	0.02%	0.02	0.00%	0.15	0.03%
Revenues from Sale of Goods and Rendering of Services	524.95	100.00%	507.57	100.00%	428.95	100.00%
Cost from Advertising	237.18	45.18%	220.82	43.47%	177.44	41.37%
Cost from Rendering of Services	137.84	28.26%	136.19	28.83%	133.52	31.13%
Cost from Artist Management	0.44	0.08%	1.25	0.25%	2.84	0.68%
Cost from Sale of Books	0.09	0.02%	0.02	0.00%	0.05	0.01%
Cost of Sale of Goods and Rendering of Services	375.55	71.54%	358.08	70.55%	313.85	73.17%
Gross Profit	149.40	28.46%	149.49	29.45%	115.10	26.83%
Other Income	4.14	0.79%	8.83	1.70%	3.63	0.82%
Shares of Profits from Investments Accounted for Using the Equity Method	-	-	-	-	0.93	0.22%
Profit before expenses	153.54	29.25%	158.12	31.15%	119.56	27.87%
Selling Expenses	8.63	1.64%	4.75	0.94%	4.98	1.16%
Administrative Expenses	78.87	15.21%	93.81	18.48%	93.02	21.69%
Profit Before Finance Costs And Income Tax Expenses	65.04	12.39%	59.56	11.73%	21.56	5.02%
Finance Costs	1.28	0.24%	0.00	0.00%	0.13	0.03%
Profit Before Income Tax Expenses	63.76	12.15%	59.56	11.73%	21.43	4.99%
Income Tax Expenses	13.50	2.57%	12.33	2.43%	4.56	1.05%
Net Profit	50.28	9.57%	47.23	9.31%	16.87	3.93%

Statement of Cash Flow	Consolidated Financial Statement (Audited)		
	2015	2016	2017
	Million Baht	Million Baht	Million Baht
Cash Flows from Operating Activity			
Profit Before Income Tax Expenses	63.76	59.56	21.43
Reconciliation Items	-	-	-
Reversal of Allowance for Doubtful Accounts	-	(0.10)	-
Reversal of Allowance for Reduction of Inventories	(0.33)	-	-
Reversal of Allowance for Obsolete Inventories	(0.01)	(0.14)	(0.70)
Depreciation	10.76	14.18	16.16
Amortisation	0.41	0.46	0.54
Gain from Sale of Short-term Investment	(0.23)	(0.76)	-

Gain from Sale of Available-for-Sale Investment	(0.41)	(2.62)	(0.91)
Gain from Sale of Equipment	-	-	(0.74)
Loss from Sale of Computer and Software	0.27	0.01	-
Employee Benefit Obligation	1.51	1.34	1.75
Unrealized Loss on Exchange Rate	-	-	0.01
Interest Received	(0.57)	(0.36)	(0.23)
Dividend Received	(0.61)	(0.53)	-
Interest Paid	1.28	-	0.13
Profit Sharing from Investment in Associates and Joint Venture	-	-	(0.92)
Change in Working Capital			
- Trade Account and Other Receivables	(45.51)	30.40	28.15
- Inventories	(30.80)	(2.85)	(5.35)
- Other Current Assets	2.03	0.61	1.72
- Other Non-Current Assets	-	-	(0.05)
- Trade Account and Other Payables	80.10	(50.69)	(21.94)
- Current Liabilities	12.79	(5.15)	(5.05)
Cash Generated from Operations	94.22	43.33	31.01
- Interest Paid	(1.35)	-	(0.13)
- Tax Return	-	-	7.10
- Income Tax Paid	(20.65)	(23.34)	(19.17)
Net Cash Provided By Operating Activities	72.44	19.99	18.81

Statement of Cash Flow	Consolidated Financial Statement (Audited)		
	2015	2016	2017
	Million Baht	Million Baht	Million Baht
Cash Flows from Investing Activity			
Cash Paid for Short-term Investment	(70.00)	(40.98)	(1.39)
Cash Received from Short-term Investment	30.23	30.76	1.67
Cash Paid for Short-term Loan to Other Parties	(3.00)	(12.00)	-
Cash Received for Short-term Loan to Other Parties	-	15.00	-
Cash Paid for Short-term Loans to Related Parties	-	-	(4.50)
Cash Paid for Acquisition of Other Businesses	-	(8.00)	-
Cash Paid for Investment in Associates and Joint Venture	-	-	(23.00)
Cash Restricted or Pledged (Increase) Decrease	0.55	(1.25)	1.26
Cash Paid for Available-for-Sale Securities	(102.50)	(191.00)	(77.00)
Cash Received from Available-for-Sale Securities	160.00	387.41	94.04
Cash Paid for Investment Property	(20.69)	(42.90)	-
Purchases of Property, Plant and Equipments	(54.33)	(125.12)	(5.32)

Cash Received from Sale of Equipment	-	-	0.74
Cash Paid for Computer Software	(0.32)	(1.40)	(0.06)
Interest Received	0.57	0.36	0.21
Dividend Received	0.61	0.52	-
Net Cash Provided by (Used in) Investing Activities	(358.88)	35.40	(14.35)
Cash Flows from Financing Activity			
Cash Paid for Short-term Borrowings	(20.00)	-	-
Cash Paid for Long-term Borrowings	(55.00)	-	-
Cash Received from Issuing New Shares	381.64	-	-
Cash Received from Share Issuance of Subsidiaries	-	3.92	-
Cash Paid for Principal of Leasing Agreement	(1.03)	-	-
Financial Lease Obligation	-	-	(2.07)
Dividend Paid	-	(80.00)	(35.95)
Net Cash Provided by (Used in) Financing Activities	305.61	(76.08)	(38.02)
Net Increase (Decrease) in Cash and Cash Equivalents	19.17	(20.69)	(33.56)
Cash and Cash Equivalents - Beginning Balance	67.27	86.44	85.75
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-	(0.05)
Cash and Cash Equivalents - Ending Balance	86.44	85.75	32.14

(c) Summary of Financial Ratio

Financial Ratio		Audited		
		2015	2016	2017
Liquidity Ratios				
Current Ratios	Times	1.98	2.60	3.02
Quick Ratio	Times	1.58	1.75	1.51
Cash Flow Ratio	Times	0.45	0.22	0.28
Receivable Turnover	Times	5.33	4.75	5.65
Days Sale Outstanding	Days	68.48	76.36	64.60
Inventory Turnover	Times	11.55	7.26	5.86
Days Sale in Inventory	Days	31.60	50.25	62.59
Accounts Payable Turnover	Times	5.79	5.19	8.33
Days Payable Outstanding	Days	63.04	70.53	43.82
Cash Cycle	Days	37.04	56.51	33.17
Profitability Ratios				
Gross Profit Margin	%	25.46%	29.45%	26.83%
Operating Profit Margin	%	11.60%	10.03%	4.20%
Other Profit Margin	%	0.79%	1.70%	0.82%
Operating Cash Flow / Net Profit	%	119.84%	39.25%	105.08%
Net Profit Margin	%	9.57%	9.30%	3.90%
Return on Equity	%	7.31%	7.18%	2.64%
Efficiency Ratios				
Return on Asset	%	8.02%	5.82%	2.26%
Return on Fixed Asset	%	20.11%	13.03%	5.92%
Asset Turnover	Times	0.34	0.62	0.57
Financial Policy Ratios				
Debt to Equity Ratio	Times	0.25	0.16	0.13
Interest Coverage Ratio	Times	50.34	413,539.87	1,541.24
Debt Service Coverage Ratio (Cash basis)	Times	0.43	0.07	0.20
Dividend Payout Ratio	%	0.00%	189.39%	213.44%

15. Analysis and Explanation by Management

15.1 Operating Performance

Overview

The core business of the Company is the production of TV programs for selling advertising. The Company will purchase airtime and / or share advertising time with the TV station. In the year 2017, the company had 7 TV programs including Master Key, Take Me Out (Thailand), La Banda (Thailand), Ballang Sieng (Hong Kong), Lhoungta Mahachon, and At Night Variety which aired on Channel 3 and Channel 5.

In the year 2017, the Company provides service in program production broadcasted on TV and online for 7 programs including Sathon Jedee, Sapai Kafak, Rak Ron Online – Ok Hak Ma Rak Kab Pom, The price is right (Thailand), Take guy out and Take me out reality and Arhit Ulai. In addition, the Company provided promotion service and organized the events for customers from both public and private sectors, as well as artist management business.

The Company has revenues that can be summarized as follows.

1) Revenue from Advertising is the revenue generated from TV program production and broadcasting. There are two main groups of customers: advertising agency and direct customer.

2) Revenue from Services is from providing services in TV programs production and the promotion of goods, as well as organizing the events for customers from both public and private sectors.

During the year 2016, the company has opened a new studio (Green Park Studio) consisting of 3 studios divided into 3 sizes with 8 storage rooms. The main purpose is to support the filming in TV production of the Company which is continuously expanding. So this can help in reducing costs and increasing efficiency in production. It is also available for rent for other parties to maximize the benefits from investment in the studio investment. In the year 2017, to meet the higher demand from the other people to use the studio, the Company has expanded its temporary storage space to 5 storage rooms to accommodate more volume of the scene. Nowadays, the company has 5 studios with 13 storage rooms.

3) Revenue from Artist Management is from the development of artists, actors, singers and supporting the artists from TV programs of the Company such as La Banda Thailand and Master Key. These artists will support TV program production as well as generate revenue from being actors, MCs, and radio DJs.

Performance Analysis

Revenue

The revenue structure can be summarized as follows:

Revenue	Consolidated Financial Statement (Audited)					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Advertising	334.22	63.17%	307.24	59.52%	224.46	51.90%
Services	189.96	35.90%	198.69	38.49%	200.71	46.41%
Artist Management	0.67	0.13%	0.62	0.31%	0.63	0.84%
Sale of Book	0.13	0.02%	0.02	0.00%	0.15	0.03%
Total	524.95	99.22%	507.57	98.33%	428.95	99.18%
Other Revenues	4.14	0.78%	8.63	1.67%	3.63	0.82%
Total Revenues	529.09	100.00%	516.20	100.00%	432.48	100.00%

1) Revenues from Advertising

Revenue from Advertising is the revenue generated from TV program of the Company and CMED (CMED = Creatis Media Co., Ltd. that is the subsidiary of the Company with shareholding of 99.99%). The Company will purchase airtime from TV station to boardcasting its program and sell advertising to customers including advertising agencies and direct customers who would like to product their goods and services. During 2015-2017, the Company had revenue from advertising of 334.22 million baht, 307.24 million baht, and 224.46 million baht respectively which was 63.17%, 59.52%, and 51.90% of total revenues respectively. The revenue from advertising of the Company only was 33.81%, 31.12%, and 41.92% of total revenue from advertising respectively. The revenue from advertising of CMED was 66.19%, 68.8%, and 59.08% of total revenue from advertising respectively. The proportion of revenue from advertising in 2017 between the Company and CMED was higher because the Company had the new program which was Ballang Sieng Thong boardcasted during June-September 2017. CMED had only one program in form of international format which was La Banda (Thailand). This made the proportion of revenue change significantly. However, CMED is searching for the new program to replace the old and less popular programs.

In 2015, the Company had revenue from advertising of 334.22 million baht which was 63.17% of total revenues. This revenue increased from 2014 by 3.82% because the Company had one new program which was Hidden Singer (Thailand) which was the international format program boardcasting during primetime on Saturday 17.45-19.15 hrs. during April-July 2015.

In 2016, the Company had revenue from advertising of 307.24 million baht which was 59.52% of total revenues. This revenue decreased from 2015 by 8.07% because the adversting industry in 2015 declined by

11.69% and the advertising spending in analogue TV was 47,121 million baht which decreased from 57,112 million in 2015 by 17.92% (Source: Nielsen <http://positioningmag.com/1112993>). This was due to the economic condition as well as the incident during October-November 2016 that all broadcasting was stopped for showing our condolence. After the resume of broadcasting, the advertising spending was still slow down.

In 2017, the Company had revenue from advertising of 224.46 million baht which was 51.90% of total revenues. This revenue decreased from 2016 by 26.95% because the advertising industry in 2016 declined by 6% and the advertising spending in analogue TV was 40,966 million baht which decreased from 2015 by 6,155 million baht or 13.12% (Source: Nielsen <http://positioningmag.com/1153376>).

2) Revenue from Services

The revenue from services of the Company and subsidiaries can be divided into 4 categories which are 1) design and production of TV program, 2) production of TV program, 3) event organizing, and 4) studio service. The construction of studio has finished in the 3rd quarter of 2016. During 2015-2017, the Company had revenue from services of 189.96 million baht, 198.69 million baht, and 200.71 million baht respectively which was 35.90%, 38.49%, and 46.41% of total revenues respectively. The details of revenue from services are as follows.

Revenues from Service	Consolidated Financial Statement					
	2558		2559		2560	
	Million Baht	%	Million Baht	%	Million Baht	%
Design and Production	32.25	16.98%	35.63	17.93%	57.85	28.82%
Production Service	144.82	76.24%	157.51	79.27%	106.00	52.81%
Event Organizing / Plan Media VDO on line	12.89	6.78%	4.22	2.12%	25.59	12.75%
Studio Services	-	-	1.33	0.67%	11.27	5.62%
Total Revenues from Service	189.96	100.00%	198.69	100.00%	200.71	100.00%

In 2015, the Company had revenue from advertising of 189.96 million baht which increased from 2014 by 82.31 million baht or 76.46%. The revenue from providing service in design and production of TV program was 32.25 million baht which was 16.98% of total revenue from services. The Company provided service in design and production for 3 programs which were 1) "Tang Jiab Dee Variety Sam Fai", 2) "Kalamae", 3) "Variety Bae Bai". The revenue from providing service in production of TV program was 144.82 million baht which was 76.24% of total revenue from services. The Company provided service in production for 3 programs which were 1) "Tangpan Kammathep", 2) "Who's Asking", 3) "The Price is Right (Thailand)". The revenue from organizing 8 events was 12.89 million baht which was 6.78% of total revenue from services.

In 2016, the Company had revenue from advertising of 198.69 million baht which increased from 2015 by 8.73 million baht or 4.60%. The revenue from providing service in design and production of TV program was 35.63 million baht which was 17.93% of total revenue from services. The Company provided service in design and production for 2 programs which were 1) "Tok Lhum Huajai Yai Peesart", 2) "Chula Anesthesia Run 2016". The revenue from providing service in production of TV program was 157.51 million baht which was 79.27% of total revenue from services. The Company provided service in production for 3 programs which were 1) "Sao Noi Roi Lan", 2) "Who's Asking", 3) "The Price is Right (Thailand)". The revenue from organizing 8 events was 4.22 million baht which was 2.12% of total revenue from services. The revenue from studio service was 1.33 million baht which was 0.67% of total revenue from services.

In 2017, the Company had revenue from advertising of 200.71 million baht which increased from 2016 by 2.02 million baht or 1.02%. The revenue from providing service in design and production of TV program was 57.85 million baht which was 28.82% of total revenue from services. The Company provided service in design and production for 5 programs which were 1) "Sathon Jedee", 2) "Ok Hlak Ma Rak Kab Pom", 3) "Take Guy Out", 4) "Take Me Out Reality", 5) "Arthit Utai".

The revenue from providing service in production of TV program was 106.00 million baht which was 52.81% of total revenue from services. The Company provided service in production for 2 programs which were 1) "Sapai Kafak", 2) "The Price is Right (Thailand)".

The revenue from organizing events and plan media VDO online for 19 projects was 25.59 million baht which was 12.75% of total revenue from services.

The revenue from studio service was 11.27 million baht which was 5.62% of total revenue from services.

Revenues from Artist Management

During 2015-2017, the Company had revenue from artist management of 0.64 million baht, 1.62 million baht, and 3.53 million baht respectively which was 0.33%, 0.31%, and 0.84% of total revenues respectively. In 2017, the Company developed new artists from its TV programs like Master Keys Vetee Jaeng Kerd and La Banda (Thailand). Moreover, the drama "Ok Hlak Ma Rak Kab Pom" broadcasted on Line TV was very popular and 2 leading actors can generate revenues from joining the events and promoting goods.

Other Revenues

During 2015-2017, the Company had other revenues of 4.14 million baht, 8.63 million baht, and 3.53 million baht respectively which was 0.78%, 1.57%, and 0.82% of total revenues respectively. Other revenues included interest income, revenue from sale of assets, and others. The other revenues in 2017 was mainly from gain from sale of marketable securities of 0.92 million baht, gain from sale of assets of 0.74 million baht, and adjustment of 0.80 million baht.

Cost and Gross Profit

The cost included the cost from advertising, the cost from services, the cost from artist management, and the cost from sale of book and CD. The major costs were the purchase of airtime from TV stations, the cost of hiring actors and moderators, the cost of licensing, the cost of filming, equipment, location, and costumes. These costs were included in the budget for each program which were approved before the production started.

Gross Profit	2015		2016		2017	
	Gross Profit (Million Baht)	Gross Profit Margin (%)	Gross Profit (Million Baht)	Gross Profit Margin (%)	Gross Profit (Million Baht)	Gross Profit Margin (%)
Advertising	97.04	29.09%	86.62	28.19%	47.02	20.95%
Service	52.12	27.43%	62.50	31.45%	67.18	33.41%
Artist Management	0.20	31.25%	0.37	22.90%	0.35	21.94%
Sale of Book	0.04	30.77%	0.00	9.02%	0.15	67.46%
Total	149.40	28.46%	149.49	29.45%	115.10	26.83%

In 2015, the cost of sale and service was 375.55 million which was 71.54% of total revenues. The cost from advertising was 237.18 million baht. The cost from service was 137.84 million baht. The cost from artist management was 0.44 million baht. The cost from sale of book was 0.09 million baht. In 2015, the gross profit margin was lower due to unfavourable market condition and the growth rate of TV digital was under expectation. Therefore, the advertising spending was under expectation and digital TV stations needed to reduce their costs by hiring less of TV program production.

In 2016, the cost of sale and service was 358.08 million which was 70.55% of total revenues. The cost from advertising was 220.62 million baht. The cost from service was 136.19 million baht. The cost from artist management was 1.25 million baht. The cost from sale of book was 0.02 million baht. In 2016, the gross profit margin was higher from 28.46% in 2015 to 29.45% in 2016 due to the cost saving of using the studio of the Company that was opened in the 3rd quarter of 2016.

In 2017, the cost of sale and service was 313.85 million which was 73.17% of total revenues. The cost from advertising was 177.47 million baht. The cost from service was 133.52 million baht. The cost from artist management was 2.84 million baht. In 2017, the gross profit margin was lower from 29.45% in 2016 to 26.83% in 2017 due to the decrease of advertising price especially in Analog TV. The gross profit margin from advertising was lower because the revenue from advertising declined more than the cost from advertising. In addition, the revenue from promotion, event organizing, and plan media VDO online has lower gross profit margin than 2016 because there was no big event during the mourning period in 2017.

During 2015-2017, the Company had gross profit margin 28.76%, 29.45%, and 26.83% of total revenues respectively.

Expenses

During 2015-2017, the Company had selling and administrative expenses of 58.50 million baht, 98.58 million baht, and 82.50 million baht respectively which was 16.65%, 19.42%, and 16.65% of total revenues respectively. The details of selling and administrative expenses are as follows.

Selling Expenses

The selling expenses included marketing expense, promotion expense, commission expense, and allowance expense like new year gifts and allowance for customer entertaining. During 2015-2017, the Company had selling expenses of 8.63 million baht, 4.75 million baht, and 4.98 million baht respectively. The selling expense in 2017 was higher than 2015 by 0.23 million baht or 4.85% due to the increase of marketing expense in giving the books in the promotional campaign.

Administrative Expenses

The administrative expenses included salary expense, depreciation expense, consultant expense, utility expense, and other expenses. Around 66% of administrative expense was salary expense. During 2015-2017, the Company had administrative expenses of 79.87 million baht, 93.81 million baht, and 93.02 million baht respectively. The administrative expense in 2017 was lower than 2015 by 0.79 million baht due to the budget control from the slowdown of advertising industry.

Net Profit and Net Profit Margin

During 2015-2017, the Company had profit before finance costs and income tax expenses of 65.07 million baht, 59.56 million baht, and 21.56 million baht respectively. The Company had finance costs of ~.28 million baht, 0.00 million baht, and 0.13 million baht respectively. The increase of finance costs in 2017 was from the interest on car leasing. In addition, The Company had income tax expense of ~3.50 million baht, 12.33 million baht, and 4.56 million baht respectively. The income tax expense was calculated based on the tax rate that the company needed to pay based on the taxable profit for the year and deferred income tax in accordance with TAS 12 about Income Taxes (More information in Deferred Income Tax)

During 2015-2017, the Company had net profit of 50.26 million baht, 47.23 million baht, and ~6.87 million baht respectively. The net profit margin was 9.57%, 9.31%, and 3.93% respectively. The net profit in 2017 decreased by 30.36 million baht or 64.28% from 2016 due to the decrease of revenue from the slowdown of advertising industry. However, the Company tried to control the production cost without reducing its quality.

Return on Equity

During 2015-2017, the Company had return on equity of 7.31%, 7.18%, and 2.64% respectively. The return on equity in 2017 was lower because the net profit in 2017 decreased by 30.36 million baht or 64.28%. The

shareholders' equity decreased from 657.63 million baht to 638.22 million baht because the Company paid the dividend of 36 million baht in May 2017. The net profit attributable to equity was lower by 2.94%. The decrease in net profit was higher than the decrease in shareholders' equity and the shareholders' equity in 2017 decreased by 4.54%.

15.2 Financial Position of the Company

Assets

The Company had total assets as of December 31, 2015-2017 of 860.37 million baht, 767.71 million baht, and 724.31 million baht respectively. The major change in assets can be summarized as follows.

- Cash and Cash Equivalents

The Company had cash and cash equivalents as of December 31, 2015-2017 of 86.44 million baht, 65.75 million baht, and 32.14 million baht which was 10.05%, 8.56%, and 4.44% of total assets respectively. The cash and cash equivalents included cash on hand and bank deposit.

- Short-term Investment

The short-term investment is the investment with holding period not more than 1 year and held for liquidity purpose or the change in interest rate. The short-term investment was classified as current assets. The Company had short-term investment as of December 31, 2015-2017 of 40.35 million baht, 0.98 million baht, and 0.70 million baht which was 4.69%, 0.13%, and 0.10% of total assets respectively.

- Trade Accounts and Other Receivable

The Company had trade accounts and other receivable as of December 31, 2015-2017 at 126.14 million baht, 95.48 million baht, and 67.70 million baht respectively which was 14.66%, 12.46%, and 9.34% of total assets respectively. The details of trade accounts and other receivable are as follows.

Trade Accounts Receivable

The Company had trade accounts receivable as of December 31, 2015-2017 at 120.75 million baht, 84.72 million baht, and 60.12 million baht respectively. The trade account receivable in 2015 increased from the amount of 50.12 million baht in 2014 or increased by 70.96%. The Company gets the big project in producing TV program during the second half of the year and the balance of trade accounts receivable was higher. In 2016, the trade accounts receivable was lower due to the decrease of revenue from advertising from the slowdown of advertising industry and the incident during October-November 2016 that all broadcasting was stopped for showing our condolence. Therefore, there was no new trade account receivable from advertising during that period. The outstanding trade account receivable can be collected as usual. There was the receivable from the delivery of work in December 2016 but it was under the acceptance process and the Company did not issue the invoice yet. Then, the trade accounts receivable in 2016 decreased by 36.13 million or 29.06%. In 2017, the trade account receivable decreased due to the decrease of advertising as mentioned earlier.

In 2017, 97.84% of trade account receivable was not due yet. The Company had the policy to set the full amount of allowance for doubtful account for trade account receivable with overdue more than 1 year. Such amount would be charged off after the Company pursued debtors until finally. The allowance for doubtful account was set in accordance with the policy of the Company.

(Unit : Million Baht)

Trade Accounts Receivable	2015	2016	2017
<u>Trade Accounts Receivable</u>			
Not due yet	120.75	84.25	58.92
Overdue			
Not more than 3 months	-	-	0.29
More than 3 months but not more than 6 months		0.47	0.16
More than 6 months but not more than 12 months			0.56
More than 12 months	3.59	3.49	3.78
Total Trade Accounts Receivable	124.34	88.21	63.61
<u>Loss Allowance for Doubtful Accounts</u>	(3.59)	(3.49)	(3.49)
Trade Accounts Receivable - Net	120.75	84.72	60.12

The Company and subsidiaries have determined the credit terms for trade receivables between 60 and 90 days, depending on the negotiation and suitability for each customer. The Company has a debt collection policy for debtors over 90 days by issuing the letter to such debtors.

Other Receivables

The other receivables included prepaid expense and accrued revenue. The Company had other receivables as of December 31, 2015-2017 of 5.39 million baht, 11.12 million baht, and 7.58 million baht respectively. Other receivables are from the accrued revenue after the delivery of the tape, but it is under the process of checking and confirming and the Company cannot issue the invoice; so the revenue has been recorded already but the Company cannot issue the invoice to collect money yet.

Short-term Loans to Related Parties

In 2017, the Company lent short-term loan to Triple S Interactive Co., Ltd. for 4.50 million baht. Triple S Interactive Co., Ltd. is the associates that was established on August 24, 2017. The Company holds 50% of its share but no party has absolute control. This was short-term unsecured loan payable on demand with the interest rate of 1.38% per year.

- Short-term Loans to Other Parties

In December 2015, the Company lent short-term loan to one company that may be a business partner in the future. The first amount is 3 million baht. This was unsecured loan under the amount of 15 million baht approved by the executives. This loan was payable in 3 installments. In 2016, the Company received the full amount of repayment including interest.

- Inventory

The Company had inventory as of December 31, 2015-2017 of 44.48 million baht, 47.50 million baht, and 56.56 million baht respectively which was 5.17%, 6.19%, and 7.81% of total assets. 95% of inventory were the TV program that the Company finished the production and waiting for broadcasting or delivery. This also included the expenses used in pre-production process.

(Unit : Million Baht)

Inventory	2015	2016	2017
TV Program	42.33	44.75	53.92
Less Allowance for devaluation	-	-	-
<i>TV Program-Net</i>	<i>42.33</i>	<i>44.75</i>	<i>53.92</i>
Book	3.61	3.45	0.02
Less Allowance for obsolete inventories	(3.43)	(3.29)	-
<i>Book-Net</i>	<i>0.18</i>	<i>0.16</i>	<i>0.02</i>
Other Inventories	1.97	2.59	2.62
Total	44.48	47.50	56.56

- Available-for-Sale Investment

The available-for-sale investment is the investment with unspecified holding period that can be more than 1 year and held for liquidity purpose or the change in interest rate. The available-for-sale investment was classified as non-current assets. The Company had available-for-sale investment as of December 31, 2015-2017 of 244.11 million baht, 75.44 million baht, and 59.11 million baht which was 28.37%, 93.83%, and 8.16% of total assets.

- Investment Property

In 2015-2016, the Company had investment property of 103.92 million baht and 55.19 million baht respectively. In 2017, the Company had no investment property because the executives of the Company approved the construction of the new studio on June 27, 2016 to support the business growth of the Company by using 3 studios in TV program production. Therefore, this item was changed from investment property to property, plant, and equipment which was 93.58 million in the 2nd quarter of 2016.

(Unit : Million Baht)

Property Investment	2015	2016	2017
Book Value at the beginning of the Year	103.92	55.49	-
Increase	25.50	38.09	-
Transfer from (to) Property, Plant, and Equipment	(73.93)	(93.58)	-
Total Property Investment	55.49	-	-
Less Accumulated Depreciation			
Property Investment - Net	55.49	-	-

- Property, Plant, and Equipment – Net

The Company had net property, plant, and equipment as of December 31, 2015-2017 of 234.72 million baht, 432.29 million baht, and 425.64 million baht which was 27.28%, 56.31%, and 58.77% of total assets respectively. The increase of net property, plant, and equipment in 2017 was from the additional investment in studio after finishing the construction in the mid of 2016. The additional investment was to modify and add equipment to expand the capacity of studio. In 2017, the Company changed 3 cars for the executives and recorded them as the asset under the leasing agreement in accordance with the accounting standard.

The Company started the construction of the new studio in 2014 for 3 studios on the land area of 8 rai 1 ngan 76.30 square wah. The part of this land for 4 rai 2 ngan 41.95 square wah was purchase from 2 directors with the price below the value determined by the independent valuer. The Board of Directors has resolved in its meeting no. 1/2014 (Before going public) held on August 5, 2014 to provide the opinion that this transaction was reasonable and appropriate for the benefits of the Company.

The Company started using the new studio in late June 2016 in TV program production of the Company. The studio is an important factor in producing TV program. Currently, the Company has the studio located in 2 places for 5 studios with the size from 106 square meter to 2,307 square meter with 9 storage rooms for storing the scenes with the size from 56 square to 168 square meter. The Company can utilize these studios to produce various formats of TV programs that help in increasing the business opportunity as well as reducing cost in studio renting which is the major cost in TV program production. In addition, the Company can generate more revenue from allowing other parties to use the studios during the vacant period.

The Company redeemed the mortgage of land and buildings used in guarantee for loan borrowed from one financial institution for studio construction. The mortgage amount was 160 million baht and it was redeemed on January 31, 2017.

- Deferred Tax Assets

The Company had net property, plant, and equipment as of December 31, 2015-2017 of 5.80 million baht, 6.27 million baht, and 6.03 million baht which was 0.67%, 0.82%, and 0.83% of total assets respectively. This

transaction was the result of the adoption of IAS 12 about Income Taxes that the Company needed to recognize income tax expense based on the income tax for that period and deferred tax assets. The deferred tax assets during 2015-2017 were shown in the following table.

(Unit : Million Baht)

Item	2015	2016	2017
Allowance for revaluation of inventories	-	-	-
Allowance for obsolete inventories	0.69	0.66	-
Allowance for doubtful accounts	0.72	0.70	0.70
Allowance for revaluation of land and building	1.54	1.54	1.54
Employee benefit obligation	2.56	2.83	3.18
Allowance for impairment of investment in subsidiaries	0.58	0.58	0.58
Financial lease obligation	-	-	0.05
Unrealized gain on available-for-sale securities	(0.29)	(0.04)	(0.02)
Total Deferred Tax Assets	5.80	6.27	6.03

Source of Capital

Liabilities

The Company had total liabilities as of December 31, 2015-2017 of 173.21 million baht, 110.18 million baht, and 86.09 million baht which was 20.13%, 14.35%, and 1.89% of total assets respectively. The major change in liabilities are as follows.

- Trade Accounts and Other Payables

The Company had trade accounts and other payables as of December 31, 2015-2017 of 137.90 million baht, 74.09 million baht, and 48.59 million baht which was 16.03%, 9.65%, and 6.71% of total assets respectively. The details of trade accounts and other payables are as follows.

Trade Accounts Payable

The Company had trade accounts payable as of December 31, 2015-2017 of 101.55 million baht, 36.48 million baht, and 38.89 million baht respectively. The increase in trade accounts payable in 2017 was from the incident during October-November 2016 that all broadcasting was stopped for showing our condolence as in 2015, so there was no new trade accounts payable and the outstanding trade accounts payable was paid normally. Therefore, the trade accounts payable in 2017 decreased from 2016 by 2.30 million baht or 6.30%. In 2015, the trade accounts payable was because the cost of advertising of CMLC was higher than normal.

Other Payables

The other payables included accrued discount to advertising agencies and other accrued expenses. The Company had other payables as of December 31, 2015-2017 of 36.36 million baht, 37.61 million baht, and 9.70 million baht respectively. The decrease of other payables in 2017 was from the unbilled cost of advertising for 2 programs of CMEC.

Shareholders' Equity

The Company had total shareholders' equity as of December 31, 2015-2017 of 687.16 million baht, 657.53 million baht, and 638.22 million baht which was 79.87%, 85.65%, and 88.11% of total assets respectively. The Company had unappropriated retained earnings as of December 31, 2015-2017 of 122.85 million baht, 88.71 million baht, and 71.32 million baht respectively. The decrease of unappropriated retained earnings in 2017 was from the dividend payment of 36 million baht on May 17, 2017 and the net profit in 2017 was lower than 2016 as mentioned earlier. The debt-to-equity ratio of the Company during 2015-2017 was 0.25 times, 0.16 times, and 0.13 times respectively.

During April 27 to 29, 2015, the Company offered 200 million shares by initial public offering. The new shares were sold at a price of 2.00 baht (par value is 0.25 baht per share and premium is 1.75 baht per share). Total amount is 400 million including total share premium of 331.64 million baht. The Company's shares were listed on the SET on May 8, 2015. The expenses related to the initial public offering is 18.36 million baht deducting from premium on share capital.

On April 25, 2016, the Annual General Meeting of Shareholders had approved the increase of the Company's registered share capital from 200 million baht to 250 million baht by issuing 200 million new shares at a par value of 0.25 baht per share. The Company registered the capital increase with Ministry of Commerce on May 2, 2016, to accommodate the issuance of warrants on May 17, 2016 to the existing shareholders at the ratio of 4 shares to 1 warrant. The life of warrant is 2 years from the issue date. The offering price is 0 baht (no charge) and the exercise price is 1.50 baht per share. Total issued warrants is 199,999,976 units. The first exercise date is June 30, 2017. The second exercise date is December 29, 2017. The third and last exercise date is May 16, 2018. This issuance is based on the resolution approved by the shareholders' meeting on April 25, 2016.

On 24 May 2016, the Company paid the dividend of 80 million baht from the resolution approved by the shareholders' meeting on April 25, 2016. The dividend payment is 0.10 baht per share divided into the dividend from the net profit in 2015 of 0.05 baht per share and from unappropriated retained earnings of 0.05 baht per share.

On July 25, 2019, the Company joined the investment in Big Brain Co., Ltd. with the office located at 8 Soi Keha Rom Klao 78 Yak 1, Sapan Sung, Sapan Sung, Bangkok 10310. The core business is to providing services in

TV program production and organizing the events. The Company holds 70,800 shares or 57.00% of total 80,000 registered shares. The par value is 100 baht. Total registered and paid-up capital is 8,000,000 baht.

On May 24, 2017, the Company paid the dividend of 36 million baht from the resolution approved by the shareholders' meeting on April 25, 2017. The dividend payment is 0.045 baht per share divid from the net profit after deducting legal reserve in 2016.

Liquidity

The Company had total current assets as of December 31, 2015-2017 of 318.24 million baht, 242.71 million baht, and 200.27 million baht respectively. In 2015, the Company had higher cash from public offering of 382 million baht and some of them were used for investment in property, plant, and equipment and investment property for studio construction. In 2016, the Company invested in TV production equipment and paid for construction of studio which had opened in June 2016. In addition, the decrease of trade accounts and other receivable was from the incident during October-November 2016 that all broadcasting was stopped for showing our condolence, so there was no new trade account receivable from advertsing revenue in such period. In 2017, the current assets decreased by 42.44 million from 2016 due to the use of working capital to invest in joint venture for 23 million baht and the loan to joint venture of 4.50 million baht. In addition, the Company paid the dividend of 36 million baht from net profit resulting in the decrease of current assets in 2017.

The Company had total current liabilities as of December 31, 2015-2017 of 160.35 million baht, 96.03 million baht, and 66.38 million baht which was 18.64%, 12.51%, and 9.17% respectively. The decrease of trade accounts and other payable was from the incident during October-December 2016 and October-December 2017 that all broadcasting was stopped for showing our condolence. In addition, the Company had no production of international format program in the 4th quarter of 2017 resulting in greatly decrease of trade accounts payable.

From the above changes in current assets and current liabilities, the Company had current ratio during 2015-2017 of 1.98 times, 2.60 times, and 3.02 times respectively. The Company had quick ratio during 2015-2017 of 1.58 times, 1.78 times, and 1.51 times respectively. The increase of liquidity ratio was from the decrease of current liabilities. However, the quick ratio was lower in 2017 due to the use of cash and cash equivalents used in production making inventories increase and inventory turnover greatly decrease.

The Company had cash cycle during 2015-2017 of 37.07 days, 56.31 days, and 83.17 days respectively. The increase of cash cycle was due to the increase in Days Sale in Inventory. However, in 2017, the Days Sale in Inventory greatly decreased to 43.82 days which was lower than 2016 by 26.51 days.

Cash Flow

During 2015-2017, the Company had cash flow provided by (used in) operating activities of 72.44 million baht, 19.99 million baht, and 18.81 million baht respectively. The cash flow from operating activities in 2016 decreased by 52.45 million baht. The cash paid for trade accounts and other payable was 130.79 million in 2016 compared of the cash received from trade accounts and other payable of 80.10 million baht in 2015. In 2017, the decrease of cash flow from operating activities was from the decrease in net profit to 21.43 million baht which was lower than 2016 by 38.13 million baht. The cash paid for trade accounts and other payable in 2017 was 21.94 million baht which was lower than 2016 by 28.75 million baht. Therefore, The cash flow from operating activities decreased slightly by 1.18 million.

During 2015-2017, the Company had cash flow provided by (used in) investing activities of (358.88) million baht, 35.40 million baht, and (14.35) million baht respectively. The cash flow from investing activities in 2015 was negative due to investment in available-for-sale securities and the construction of new studio. In 2016, the cash flow from investing activities was positive from sale of available-for-sale securities to used as working capital in paying trade accounts payable from normal business and studio construction. In 2017, the cash flow from investing activities was negative from investment in associates for 23 million baht and the cash received from sale of available-for-sale securities was lower.

During 2015-2017, the Company had cash flow provided by (used in) financing activities of 305.61 million baht, (76.08) million baht, and (38.02) million baht respectively. The cash flow from financing activities in 2015 was 305.61 million baht from issuing new ordinary shares and repayment of short-term and long-term borrowings. In 2016, the cash flow from financing activities was negative from the dividend payment of 80 million baht. In 2017, the cash flow from financing activities was negative at 38.02 million baht from the dividend payment of 35.95 million baht and the payment for financial lease obligation of 2.07 million baht.

During 2015-2017, the Company had debt service coverage ratio (cash basis) of 0.48 times, 0.07 times, and 0.29 times respectively. During 2016-2017, the cash flow from operating activities was 19.99 million baht and 18.81 million baht respectively. However, in 2017, the obligation from investment in fixed assets and dividend payment was lower resulting in higher debt service coverage ratio of 0.29 times which was higher than 2016 by 0.22 times.

15.3 Factors influencing Operating Performance and Financial Position in the Future

The factors influencing the operating performance and financial position in the future beside what mentioned in risk factors are as follows

Trend in Advertising Industry

Currently, the popularity of online media (Social Media) is constantly increasing, resulting in new advertising channels such as Youtube, Facebook, Line, internet and other applications as well as outdoor media.

As a result, the advertising spending has been taken away from TV commercials and the decrease in advertising spendings for various types of TV commercials every year.

Moreover, all online media advertising can be done easily with lower cost of advertising. This makes new media producers appearing in the market and the competition of advertising is very intense. The technology also changes rapidly and the new advertising techniques have been innovated quickly and continuously.

The Company has expanded its investment to increase the channel to generate revenue through online media in all forms to be ready for advertising market changes in the future. The Company has invested with other companies with expertise and experience in online media and online game business.

Information Certification

The Company has reviewed the information in this Annual Registration Statement with caution. The Company hereby certifies that such information is accurate, complete, not false, does not mislead others. In addition, the Company hereby certifies that:

(1) Financial Statements and financial information summarized in Annual Registration Statement are accurately and completely presented for the financial position, performance, and cash flow of the Company and its subsidiaries.

(2) The Company has established a good information disclosure system to ensure that the Company discloses material information of The Company and its subsidiaries correctly and completely. It also controls the compliance of such systems.

(3) The Company has established a good internal control system and control the implementation of such systems. The Company has provided information on the assessment of the internal control system as of November 2, 2017 to the Company's auditors and the Audit Committee. This covers the defects and major changes of the internal control system including wrongful acts that may affect the preparation of financial reports of the Company and its subsidiaries.

To prove that all documents are the same document that the company has authenticated, the Company has assigned Mrs. Patraporn Wannapinyo to sign this document on every page. If any document does not contain the signature of Mrs. Patraporn Wannapinyo, the Company will not be responsible for the accuracy of such information.

Authorized Directors

Name-Surname	Title	Signature**
1. Mrs. Patraporn Wannapinyo	Chief Executive Officer
2. Mr. Pirath Yensudjai	Vice President

Attorney

Name-Surname	Title	Signature
1. Mrs. Patraporn Wannapinyo	Chief Executive Officer

Section 89/20 * of the Securities and Exchange Act BE 2535 (1992), as amended by the Securities and Exchange Act (No. 4) BE 2551, requires directors and executives to be jointly liable to the persons who purchase securities of the Company for any damages arising from the disclosure of information to shareholders or the general public by specifying any false information or undisclosing information in the financial statements and reports on financial status and performance of the Company or any other disclosure required by Section 56 Or Section 199, without limiting the liability of only directors and executives who have authenticated the information in such documents. However, the directors or the executive who can prove that their position may not truly aware of the information or lack of information that must be shall not be liable under Section 89/20.

Note: Section 89/20 * shall apply to companies subject to Chapter 3/1 of the Securities and Exchange Act BE 2535 as amended by the Securities and Exchange Act (No. 4) BE 2551.

Appendix 1 = Information of Directors, Executives, Controlling Shareholders, and Company Secretary

Name-Surname: Age(Year) /Title/Appointment Date	Educational Background / Training	Shareholding (%)	Relationship	5-year Work Experience		
				Period	Title	Company
Prof.Dr. Montri Soetiyonurak Age 61 Years Old Current Title : -Chairman -Chairman of Nomination and Remuneration Committee <i>Appointment on February 26, 2014</i> -Independent Director -Audit Committee <i>Appointment on August 3, 2014</i>	Doctoral Degree Economics, UNIVERSITY OF MINNESOTA, U.S.A. (government scholarship) Master Degree - Economics, UNIVERSITY OF MINNESOTA, U.S.A. (government scholarship) - Economics, National Institute of Development Administration - Bachelor Degree Economics, Thammasat University Training Certification of Institute of Director (IOD), Director Accreditation Program (DAP) Batch 69/2008 on February 22, 2008	None	None	2017 - Present	Chairman	PCN Corp PCL
				2016 - Present	Chairman	Thai Plastic Industrial (1984) PCL
				2015 - Present	Independent Director / Chairman of Audit Committee	Megachem (Thailand) PCL
				2015 - Present	Independent Director / Audit Committee	Baanwuy Group (Sarat Thani) PCL
				2014 - Present	Director / Independent Director / Chairman of Audit Committee	TV Thinner PCL
				2012 - Present	Independent Director / Chairman of Audit Committee	East Coast Furniture PCL
				2011 - Present	Independent Director / Chairman of Audit Committee	Union Auction PCL
				2011 - Present	Independent Director / Audit Committee	SPG Precious Metal Co., Ltd.
				2011 - Present	Chairman	LearnTech Co., Ltd.
				2011 - Present	Director	Ocean Commerce
				2013 - 2017	Chairman	Cho Thavee PCL
				2013 - 2012	Independent Director	SpecialtyTech Corporation
				2011 - 2015	Chairman	Co., Ltd.
				2009 - 2013	Independent Director / Chairman of Audit Committee	Siam Global House PCL
				2015 - Present	Program Director Master of Public and Private Management (MPPM)	National Institute of Development Administration (NIDA)

Name-Surname Age (Year) / Title/Appointment Date	Educational Background / Training	Shareholding (%)	Relationship	5-year Work Experience		
				Period	Title	Company
Mrs. Patraporn Wannapinyo Age 57 Years Old Current Title : - Vice Chairman (Authorized Director) <i>Appointment on February 26, 2014</i> - Chairman of Executive Committee - Chief Executive Officer <i>Appointment on December 3, 2014</i>	Master Degree Business Administration National Institute of Development Administration (NIDA) Bachelor Degree Communication Art Sukhothai Thammathirat Open University Training Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)	24.73%	Spouse of Mr. Sompong Wannapinyo	2011 - Present 2012 - Present 1992 - 2011 2011 - Present 2013 - Present	Vice Chairman Chairman of Executive Committee and Chief Executive Officer Managing Director Director Director and Executive Committee	TV Thunder PCL TV Thunder PCL TV Thunder PCL Creatis Media Co., Ltd. EM Entertainment Co., Ltd.
Mr. Sompong Wannapinyo Age 57 Years Old Current Title : - Director (Authorized Director) - Chairman of Advisory Board <i>Appointment on December 3, 2014</i>	Honorary Degree Television and Radio Technology, Rajamangala University of Technology Thanyaburi Training Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)	17.77%	Spouse of Mrs. Patraporn Wannapinyo	2014 - Present 1992 - 2011 1992 - Present 2011 - Present	Chairman of Advisory Board Chairman of Executive Committee Director Director	TV Thunder PCL TV Thunder PCL TV Thunder PCL Creatis Media Co., Ltd.
Mr. Phusit Laithong Age 57 Years Old Current Title : - Director - Executive Committee - Vice President <i>Appointment on December 3, 2014</i>	Bachelor Degree Education (Music), Chulalongkorn University Training Certification of Director Accreditation Program (DAP) Batch 112/2014 from Institute of Director (IOD)	0.03%	None	2014 - Present 2012 - Present 2005 - 2011	- Executive Committee - Director / Vice President - Deputy Managing Director	TV Thunder PCL TV Thunder PCL TV Thunder PCL
Mr. Pirath Yensudjai Age 38 Years Old Current Title : - Director (Authorized Director) - Executive Committee - Vice President - Acting Deputy Vice President for Investment Development Division <i>Appointment on December 3, 2014</i>	Master Degree Marketing Sasin Graduate Institute of Business Administration of Chulalongkorn Bachelor Degree Science in Business Administration, Investments/Finance Babson College Massachusetts, U.S.A. Training Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)	1.06%	Spouse of Mrs. Napat Wannapinyo	2014 - Present 2011 - Present 2010 - 2011 2013 - Present 2013 - Present	- Director / Executive Committee / Vice President and Acting Deputy Vice President for Investment Development Division - Director / Executive Committee - Regional Field Care Manager - Director / Executive Committee - Director / Executive Committee	TV Thunder PCL Creatis Media Co., Ltd. Unilever Asia Co., Ltd. EM Entertainment Absolut Drama Co., Ltd.

Name-Surname Age(Year) /Title/Appointment Date	Educational Background / Training	Shareholding (%)	Relationship	5-year Work Experience		
				Period	Title	Company
Mr. Natakrit Wannapiyo Age 34 Years Old Current Title : - Director (Authorized Director) - Executive Committee - Deputy Vice President for Business Development Division <i>Appointment on December 3, 2014</i> - Company Secretary <i>Appointment on November 13, 2015</i>	Master Degree Enterprise Management for Creative UK Bachelor Degree Sociology and Anthropology Thammasat University Training Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)	11.27%	- Son of Mr. Sompong Wannapiyo and Mrs. Patraporn Wannapiyo - Sibling with Ms. Napat Wannapiyo	2015 - Present 2014 - Present 2010 - Present 2011 - Present 2013 - Present	- Company Secretary - Director /Executive Committee - Deputy Vice President for Business Development Division Director / Executive Producer - Producer - Director / Executive Committee	TV Thuner PCL TV Thuner PCL TV Thuner PCL Creatis Media Co., Ltd. Index Creative Village EM Entertainment Co., Ltd.
Ms. Napat Wannapiyo Age 38 Years Old Current Title : - Executive Committee - Deputy Vice President for Marketing Division <i>Appointment on December 3, 2014</i>	Master Degree Marketing University of East Anglia, UK Bachelor Degree Chulalongkorn A.L. Chulalongkorn University	5.82%	- Son of Mr. Sompong Wannapiyo and Mrs. Patraporn Wannapiyo - Sibling with Mr. Natakrit Wannapiyo - Spouse of Mr. Pirath Yansudjai	2014 - Present 2009 - Present 2008 - 2014 2011 - Present 2013 - Present	- Executive Committee - Deputy Vice President for Marketing Division - Marketing Director - Director / Executive Committee - Director / Executive Committee	TV Thuner PCL TV Thuner PCL TV Thuner PCL Creatis Media Co., Ltd. Absolute Drama Co., Ltd.
Ms. Piyaorn Laithong Age 55 Years Old Current Title : - Executive Committee - Deputy Vice President for Production Division <i>Appointment on December 3, 2014</i>	Bachelor Degree Education, Chulalongkorn University	0.25%	None	2014 - Present 2013 - Present 2010 - 2013	- Executive Committee - Deputy Vice President for Production Division - Deputy Managing Director	TV Thuner PCL TV Thuner PCL TV Thuner PCL
Ms. Naree Wichunakorn Age 56 Years Old Current Title : - Executive Committee - Deputy Vice President for Finance Division <i>Appointment on December 3, 2014</i>	Master Degree Accounting, Ramkhamhaeng University Bachelor Degree Accounting, Dhurakij Pundit University	0.00%	None	2014 - Present 2006 - Present	- Executive Committee - Deputy Vice President for Finance Division	TV Thuner PCL TV Thuner PCL

Name-Surname Age (Year) / Title / Appointment Date	Educational Background / Training	Shareholding (%)	Relationship	5-year Work Experience		
				Period	Title	Company
Mr. Sudhitham Chirathivat Age 70 Years Old Current Title : - Director <i>Appointment on December 3, 2014</i> - Audit Committee - Independent Director <i>Appointment on August 3, 2014</i>	Bachelor Degree Electrical Engineering, University of Maryland (College Park) U.S.A. Master Degree Business Administration (Operations Research) Loma University, U.S.A. Training - Thailand National Defense College Public Private Sector Program Batch 13 - Director Certification Program (DCP) Batch 37/2003 from Institute of Director (IOD)	None	None	Present Present Present Present Present Present	- กรรมการอิสระ ฝ่าย การเงินและบัญชี Independent Director - Director - Director - Director - Director - Director - Director	TV Thuner PCL Central Group Co., Ltd. The Village Club Co., Ltd. Earthcare Co., Ltd. Robinson PCL Central Pattana PCL Central Plaza Hotel PCL
Assoc.Prof.Dr. Gallayane Parkatt Age 61 Years Old Current Title : - Director <i>Appointment on December 3, 2014</i> - Audit Committee - Independent Director <i>Appointment on August 3, 2014</i>	Doctoral Degree - M.Bus (By Research), RMIT University, Melbourne, Australia - Ph.D. (Finance), RMIT University, Melbourne, Australia Master Degree Business Administration (Business Administration - Finance), National Institute of Development Administration (NIDA) Bachelor Degree Accounting, University of Thai Chamber of Commerce Training Certification of Director Accreditation Program (DAP) Batch 99/2012 from Institute of Director (IOD)	None	None	2014 - Present 2013 - 2015 2013 - Present	- Audit Committee/ Independent Director - Vice Rector of Finance - Chairman of the Committee for Doctor of Philosophy in Business Administration, Sukhothai Thammathirat Open University	TV Thuner PCL Sukhothai Thammathirat Open University Sukhothai Thammathirat Open University

Roles and Responsibilities of Company Secretary

In accordance with the provisions of Section 89/15 of the Public Companies Act BE 2535, the Board of Directors shall assign the Company Secretary to be responsible for the name of the Company on the Board of Directors. The Board of Directors has resolved in its Meeting No. 7/2015 held on November 13, 2015 to appoint Mr. Natakrit Wannapinyo to replace Mr. Sirowet Limpiwan as the Company Secretary with the following roles and responsibilities:

1. Prepare and keep the following documents.
 - (A) List of Directors
 - (B) Notice of the Board of Directors' Meeting, Minutes of the Board of Directors Meeting, and the Company's annual report.
 - (C) Notice of the Shareholders' Meeting and Minutes of the Shareholders' Meeting.

2. Store a report on conflict of interest reported by directors or executives and submit a copy of such reports to the Chairman and the Chairman of Audit Committee within seven business days after the date of receipt of the report.

3. Develop the system of storing documents and evidence related to the following information as well as ensure that such documents or evidence are kept in a correct, complete, and verifiable manner for a period of not less than five years from the date of such document or information.

To store above documents and evidence, it includes the storage by computer system or any other system that can be retrieved without changing the texts.

- (1) Information for Shareholders' Meeting
- (2) Financial Statements and Reports on Financial Status and Performance of the Company or any other reports required to be disclosed under section 56, section 57, section 58 or section 199 of the Securities and Exchange Act.
- (3) Opinion of the Company when there is a tender offer for the shares of the Company.
- (4) Information or other reports on the Company's business disclosed to the shareholders or the public as specified by the Capital Market Supervisory Board.

4. Perform any actions as noticed by the Capital Market Supervisory Board.

5. Perform duties with responsibility, careful, and honesty. It must comply with the laws, objectives, regulations of the Company, board resolutions, and the resolutions of the shareholders' meeting, as well as do not act contrary to the interests of the Company.

6. Perform duties with responsibility and caution as the normal business man shall act under the same circumstances.

- (1) The decision is made in good faith and reasonably for the best interest of the Company.
- (2) The decision is made on the basis of information that is faithful enough and
- (3) The decision is made by a non-vested interest both directly and indirectly in that issue.

In case the Company's secretary cannot perform the duty, the Board shall appoint a new Company Secretary within ninety days as from the date the former Company Secretary vacates office or fails to perform his duties.

Appendix 2 : List of the Directors of Subsidiaries

The list of the directors of subsidiaries as of February 23, 2018 is as follows.

Name - Surname		CMED	EM	BB
Mrs. Patraporn	Wannapinyo	I, //	I, X, //	I, X
Mr. Sompong	Wannapinyo	I, //		
Mr. Natakrit	Wannapinyo	I, //	I, //	I, //
Ms. Napat	Wannapinyo	I		
Mr. Pirath	Yensudjai	I, X, //		I, //
Mr. Jetsada	Osatalert			I, //
Ms. Sirinart	Kuntorn			I, //

Note

1. I = Directors X = Chairman // = Executive Committee
2. CMED = Greatist Media Co., Ltd.
EM = EM Entertainment Co., Ltd.
BB = Big Brain Co., Ltd.

Appendix 3 : Information about the Chief Internal Auditor of the Company

The Company uses outsource that is Aim to Property Co., Ltd. to work as the chief of internal audit (Outsource) by assigning Mr. Paisarn Pooratchareonchai (CIA, CPIA) who the managing director to be the internal auditor of the Company.

Name – Surname	Educational Background / Training	Shareholding (%)	Relationship	Work experience		
				Period	Title and Department	Organization
Mr. Paisarn Pooratchareonchai 55 years old	<u>Master Degree</u> Master of Accounting, Chulalongkorn University	None	None	2011 – Present	Managing Director	Aim To Property Co., Ltd.
	<u>Bachelor Degree</u> Bachelor of Accounting, Chulalongkorn University Certific Internal Audit(CIA) No. 30807 , IIA Certific Professional Internal Auditor (CPIA) No. 5026 , IIAI Certification in Risk Management Assurance (CRMA) No. 2284 ,IIA			1998 - 2007	Director of Central Administration	Stock Exchange of Thailand
				1999	Part-time Lecturer	Eastern Asia University and Sunn Sunandha Rajabhat University
				1996 – 1998	Internal Audit Manager	TPI Polene Public Company Limited
				1992 - 1996	Internal Audit Manager	Krungthai Thanakit Finance and Securities Co., Ltd.
				1989 - 1992	Internal Audit Manager	Kiatrakon Finance and Securities Co., Ltd.
				1989	Auditor, Financial Institution Analysis and Supervision	Bank of Thailand
	1985 – 1988	Finance Officer, Audit Department	Siam Commerical Bank			

Appendix 4 : Information about Property Valuation

Property	Valuer	Date	Purpose	Value
1. Land : Area of 8 - 1 - 76.3 Rai Location : 8 Soi Keha Rom Klao 78 Yak 1 Ratpattana Road, Saphan Sung Saphan Sung, Bangkok Title Deed : Title Deed No. 16688, 16689, 16628, 16690, 3758, 3759, and 16691 Ownership : Complete ownership Owner : TV Thunder Public Company Limited	SL Standard Appraisal Co., Ltd. Mr. Apichart Duangsawat Surveyor and Valuer (WorSor. 8/6) Mr. Phanuthat Phothonng Principal Valuer (WorThor. 353) Principal Valuer approved by the Office Of Security and Exchange Commission (Office of SEC)	Feb 25, 2015	Public Use	101,300,000 baht

Appendix 5 : Other Documents

- None -

ALWAYS
ON THE MOVE



TV THUNDER PUBLIC COMPANY LIMITED
CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2017

Independent Auditor's Report

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

My opinion

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

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: The recognition of revenues from advertising. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter

How my audit addressed the key audit matter

The recognition of revenues from advertising

Refer to Note 2.20 'Revenue recognition' in the financial statements.

In 2017, The Group recognised revenue from advertising of Baht 224.5 million, representing 52% of total revenue. The size of revenue from advertising is material to the Group's financial statements. The revenue from advertising is derived from a number of customers and comprised a high volume of transactions. In addition, the terms and conditions of each contract varies.

Revenue is recognised when a commercial is broadcast on television. The Group performed a reconciliation between the revenue recorded by sales staff and the actual commercials broadcast reported by the third parties to ensure the accuracy of revenue recognition as well as the occurrence of the revenue.

I focused on revenue from advertising because the amount is material to the consolidated financial statements. There are a number of factors used in determining contractual price. And, the varying service arrangements may also impact the revenue amount and the timing of revenue recognition. Therefore, this required a detailed understanding of the contractual arrangements to ensure that the contracts were correctly applied and the volume of advertisements broadcast to determine the amount of revenue are complete and accurate.

To assess the recognition of revenue from advertising, I tested key controls, including those used to determine the amount of revenue to be recognised. I tested the design and operation of the Group's internal controls over revenue from advertising to gain comfort that they were operating effectively. I also performed additional substantive testing. These audit procedures provided evidence that revenue from advertising is presented fairly, in all material respects.

In addition to testing controls, I performed the following substantive testing:

- Reviewed the terms and conditions of the service agreements and checked that revenue from advertising had been recognised in accordance with the agreed terms and conditions and in the correct period. I performed my testing on a sample basis by comparing revenue from advertising to the Commercial Log Monitoring Reports from third parties to verify that advertisements were broadcasted and could be reconciled to the advertising revenue recorded in the system by sales staff.
- Re-performed the reconciliation of total annual revenue from advertising recorded in the system by sales staff to the total revenue from advertising recognised in the general ledger.
- Performed cut-off procedures by testing sales invoices issued before and after the balance sheet date.
- Tested credit notes issued after the balance sheet date to obtain further evidence to properly support the timing of the recognition of revenue from advertising.

The control testing and substantive testing I carried out gave me sufficient and appropriate audit evidence for the Group's recognition of revenue from advertising. Also, I didn't find any material misstatements in revenue from advertising of the Group.

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 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 and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated 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.

PricewaterhouseCoopers ABAS Ltd.



Paiboon Tunkoon
 Certified Public Accountant (Thailand) No. 4298
 Bangkok
 23 February 2018

TV Thunder Public Company Limited
Statement of Financial Position
As at 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	32,144,877	65,753,225	10,185,307	23,000,199
Short-term investments	10	696,143	976,871	696,143	976,871
Trade and other receivables, net	11	67,703,021	95,836,972	89,772,473	94,231,626
Short-term loan to related party	34.4	4,500,000	-	6,190,600	-
Inventories, net	12	56,558,580	47,501,043	35,072,405	46,373,624
Other current assets	13	38,670,468	32,640,818	27,246,143	18,983,317
Total current assets		200,273,089	242,708,929	169,163,071	183,565,637
Non-current assets					
Restricted bank deposits	14	831,000	2,093,814	831,000	2,093,814
Available-for-sale investments	15	59,104,686	75,443,910	47,084,384	61,075,763
Investments in associate	16	20,853,256	-	20,500,000	-
Investments in subsidiaries	16	-	-	37,498,796	37,498,796
Interests in joint venture	16	3,071,041	-	2,500,000	-
Property plant and equipment, net	18	425,643,349	432,288,122	422,973,425	428,992,057
Computer software, net	19	1,165,643	1,632,512	1,104,041	1,613,358
Goodwill	4, 20	6,802,316	6,802,316	-	-
Deferred tax assets	21	6,024,748	6,264,744	5,930,851	6,226,364
Other non-current assets		540,780	476,900	540,780	476,900
Total non-current assets		524,036,819	525,002,318	538,963,277	537,977,052
Total assets		724,309,908	767,711,247	708,126,348	721,542,689

The accompanying notes are an integral part of these consolidated and separate financial statements.

TV Thunder Public Company Limited
Statement of Financial Position (continued)
As at 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	22	48,588,330	74,085,011	43,700,358	40,489,823
Current portion of liabilities under finance lease agreement	24	903,062	-	903,062	-
Other current liabilities	23	16,884,449	21,940,277	14,512,288	16,923,534
Total current liabilities		66,375,841	96,025,288	59,115,708	57,413,357
Non-current liabilities					
Deferred tax liabilities	21	1,692	24,099	-	-
Liabilities under finance lease agreements	24	3,824,266	-	3,824,266	-
Employee benefit obligations	25	15,883,609	14,128,863	15,402,281	13,814,313
Total non-current liabilities		19,709,567	14,152,962	19,226,547	13,814,313
Total liabilities		86,085,408	110,178,250	78,342,255	71,227,670

The accompanying notes are an integral part of these consolidated and separate financial statements.

TV Thunder Public Company Limited
Statement of Financial Position (continued)
As at 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	26				
Authorised share capital					
1,000,000,000 ordinary shares					
at par value of Baht					
0.25 each		250,000,000	250,000,000	250,000,000	250,000,000
Issued and paid-up share capital					
800,000,000 ordinary shares					
paid-up of Baht 0.25 each		200,000,000	200,000,000	200,000,000	200,000,000
Share premium on ordinary shares	26	331,641,290	331,641,290	331,641,290	331,641,290
Capital surplus from share swap		25,045,423	25,045,423	27,974,757	27,974,757
Retained earnings					
Appropriated - legal reserve	28	9,663,991	8,890,687	9,663,991	8,890,687
Unappropriated		71,319,929	88,708,278	60,012,140	81,319,376
Other components of equity		291,737	467,003	491,915	488,909
Equity attributable to					
owners of the parent		637,962,370	654,752,681	629,784,093	650,315,019
Non-controlling interests		262,130	2,780,316	-	-
Total equity		638,224,500	657,532,997	629,784,093	650,315,019
Total liabilities and equity		724,309,908	767,711,247	708,126,348	721,542,689

The accompanying notes are an integral part of these consolidated and separate financial statements.

TV Thunder Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Revenue from advertising		224,458,505	307,239,678	123,103,993	117,272,388
Revenue from services		200,708,130	198,692,309	257,996,749	298,255,309
Revenue from artist management		3,633,967	1,623,724	3,643,967	1,623,724
Revenue from sales		145,794	19,259	145,794	19,259
Total revenues	4	<u>428,946,396</u>	<u>507,574,970</u>	<u>384,890,503</u>	<u>417,170,680</u>
Cost of advertising		(177,435,724)	(220,626,422)	(116,115,235)	(76,232,372)
Cost of services		(133,523,176)	(136,193,755)	(173,277,239)	(206,275,131)
Cost of artist management		(2,836,630)	(1,251,845)	(2,871,930)	(1,270,975)
Cost of sales		(47,439)	(17,521)	(47,439)	(17,521)
Total costs		<u>(313,842,969)</u>	<u>(358,089,543)</u>	<u>(292,311,843)</u>	<u>(283,795,999)</u>
Gross profit		115,103,427	149,485,427	92,578,660	133,374,681
Other income	29	3,533,553	8,629,831	2,745,063	7,814,346
Selling expenses		(4,978,310)	(4,748,444)	(3,533,146)	(3,747,788)
Administrative expenses		(93,022,237)	(93,810,384)	(72,637,743)	(74,868,471)
Finance costs		(131,274)	(145)	(131,274)	(145)
Share of profit of associate and joint venture	16	924,297	-	-	-
Profit before income tax expense		21,429,456	59,556,285	19,021,560	62,572,623
Income tax expense	31	(4,562,687)	(12,326,905)	(3,555,492)	(12,290,434)
Profit for the year		<u>16,866,769</u>	<u>47,229,380</u>	<u>15,466,068</u>	<u>50,282,189</u>
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of employee benefit obligations		-	264,849	-	535,374
Income tax on items that will not be reclassified		-	(52,970)	-	(107,075)
Total items that will not be reclassified subsequently to profit or loss		<u>-</u>	<u>211,879</u>	<u>-</u>	<u>428,299</u>
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments		(219,083)	(1,232,170)	3,758	(1,381,011)
Income tax relating to items that will be reclassified		43,817	246,434	(752)	276,202
Total items that will be reclassified subsequently to profit or loss		<u>(175,266)</u>	<u>(985,736)</u>	<u>3,006</u>	<u>(1,104,809)</u>
Other comprehensive (expense) income for the year, net of tax		<u>(175,266)</u>	<u>(773,857)</u>	<u>3,006</u>	<u>(676,510)</u>
Total comprehensive income for the year		<u>16,691,503</u>	<u>46,455,523</u>	<u>15,469,074</u>	<u>49,605,679</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

TV Thunder Public Company Limited
Statement of Comprehensive Income (continued)
For the year ended 31 December 2017

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Profit (loss) attributable to:					
Owners of the parent		19,384,955	48,369,064	15,466,068	50,282,189
Non-controlling interests		(2,518,186)	(1,139,684)	-	-
		<u>16,866,769</u>	<u>47,229,380</u>	<u>15,466,068</u>	<u>50,282,189</u>
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		19,209,689	47,595,207	15,469,074	49,605,679
Non-controlling interests		(2,518,186)	(1,139,684)	-	-
		<u>16,691,503</u>	<u>46,455,523</u>	<u>15,469,074</u>	<u>49,605,679</u>
Earnings per share for					
owners of the parent	32				
Basic earnings per share		<u>0.0242</u>	<u>0.0605</u>	<u>0.0193</u>	<u>0.0629</u>
Diluted earnings per share		<u>0.0238</u>	<u>0.0583</u>	<u>0.0190</u>	<u>0.0606</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

TV Thunder Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements										
Attributable to owners of the parent										
Notes	Issued and paid-up share capital Baht	Share premium on ordinary shares Baht	Capital surplus from share swap Baht	Retained earnings		Other components of equity		Total owners of the parent Baht	Non-controlling interests Baht	Total Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income Available-for-sale investments Baht	Actuarial gain Baht			
Opening balance 2016	200,000,000	331,641,290	25,045,423	6,376,578	122,853,323	1,240,860	-	687,157,474	-	687,157,474
Issuance of shares of subsidiary	16	-	-	-	-	-	-	-	3,920,000	3,920,000
Legal reserve	28	-	-	2,514,109	(2,514,109)	-	-	-	-	-
Dividend	33	-	-	-	(80,000,000)	-	-	(80,000,000)	-	(80,000,000)
Total comprehensive income (expense) for the year	-	-	-	-	48,369,064	(985,736)	211,879	47,595,207	(1,139,684)	46,455,523
Closing balance 2016	200,000,000	331,641,290	25,045,423	8,890,687	88,708,278	255,124	211,879	654,752,681	2,780,316	657,532,997
Legal reserve	28	-	-	773,304	(773,304)	-	-	-	-	-
Dividend	33	-	-	-	(36,000,000)	-	-	(36,000,000)	-	(36,000,000)
Total comprehensive income (expense) for the year	-	-	-	-	19,384,955	(175,266)	-	19,209,689	(2,518,186)	16,691,503
Closing balance 2017	200,000,000	331,641,290	25,045,423	9,663,991	71,319,929	79,858	211,879	637,962,370	262,130	638,224,500

The accompanying notes are an integral part of these consolidated and separate financial statements.

TV Thunder Public Company Limited
Statement of Changes in Equity (continued)
For the year ended 31 December 2017

		Separate financial statements							
Notes		Issued and paid-up share capital Baht	Share premium on ordinary shares Baht	Capital surplus from share swap Baht	Retained earnings		Other components of equity		Total Baht
							Other comprehensive income		
					Appropriated - legal reserve Baht	Unappropriated Baht	Available-for-sale investments Baht	Actuarial gain Baht	
Opening balance 2016		200,000,000	331,641,290	27,974,757	6,376,578	113,551,296	1,165,419	-	680,709,340
28	Legal reserve	-	-	-	2,514,109	(2,514,109)	-	-	-
33	Dividend	-	-	-	-	(80,000,000)	-	-	(80,000,000)
Total comprehensive income (expense) for the year		-	-	-	-	50,282,189	(1,104,809)	428,299	49,605,679
Closing balance 2016		200,000,000	331,641,290	27,974,757	8,890,687	81,319,376	60,610	428,299	650,315,019
28	Legal reserve	-	-	-	773,304	(773,304)	-	-	-
33	Dividend	-	-	-	-	(36,000,000)	-	-	(36,000,000)
Total comprehensive income for the year		-	-	-	-	15,466,068	3,006	-	15,469,074
Closing balance 2017		200,000,000	331,641,290	27,974,757	9,663,991	60,012,140	63,616	428,299	629,784,093

The accompanying notes are an integral part of these consolidated and separate financial statements.

TV Thunder Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Cash flows from operating activities					
		21,429,456	59,556,285	19,021,560	62,572,623
Profit before income tax					
Adjustments for:					
		-	(100,000)	-	(100,000)
	29				
		(696,536)	(142,993)	(696,536)	(142,993)
	30				
		16,156,504	14,177,484	14,951,772	13,271,030
	18				
		534,335	458,026	528,193	453,727
	18				
		-	(760,675)	-	(760,675)
	29				
		(917,218)	(2,620,877)	(503,050)	(2,495,872)
	29				
		(743,453)	-	(743,453)	-
	29				
		4,511	7,980	4,051	6,860
	29				
		24	-	24	-
	29				
		1,754,746	1,341,847	1,587,968	1,524,201
	25				
		47,022	-	-	-
		(234,575)	(363,863)	(146,840)	(307,420)
	29				
		-	(525,013)	-	(525,013)
	29				
		131,274	145	131,274	145
		(924,297)	-	-	-
	16				
Changes in working capital :					
		28,155,305	30,404,036	4,481,596	8,613,113
		(8,361,001)	(2,874,899)	11,997,755	(2,974,399)
		1,741,439	606,820	53,162	(185,393)
		(63,880)	(4,000)	(63,880)	(4,000)
		(21,948,279)	(50,689,484)	6,758,937	(41,100,310)
		(5,055,828)	(5,145,437)	(2,411,246)	(5,429,697)
Cash generated from operating activities					
		31,009,549	43,325,382	54,951,287	32,415,927
		(131,274)	(145)	(131,274)	(145)
		7,098,515	-	2,670,131	-
		(19,170,884)	(23,337,682)	(14,246,849)	(18,275,416)
Net cash generated from operating activities					
		18,805,906	19,987,555	43,243,295	14,140,366

The accompanying notes are an integral part of these consolidated and separate financial statements.

TV Thunder Public Company Limited
Statement of Cash Flows (continued)
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Purchase of short-term investment	10	(1,389,272)	(40,977,921)	(1,389,272)	(40,977,921)
Proceeds from disposals of short-term investments		1,670,000	80,762,306	1,670,000	80,762,306
Loans made to others		-	(12,000,000)	-	(12,000,000)
Loan payments received from others		-	15,000,000	-	15,000,000
Loans made to related parties	34.4	(4,500,000)	-	(6,190,600)	(2,000,000)
Loan payments received from related parties	34.4	-	-	-	2,000,000
Payments of business acquisition	4	-	(8,000,000)	-	-
Payments of investment in subsidiary	16	-	-	-	(4,080,000)
Payments of investment in associate and joint venture	16	(23,000,000)	-	(23,000,000)	-
Decrease (increase) in restricted bank deposits		1,262,814	(1,245,814)	1,262,814	(1,245,814)
Purchase of available-for-sale investment	15	(77,000,000)	(191,000,000)	(65,000,000)	(191,000,000)
Proceeds from disposals of available-for-sale investments		94,037,359	361,405,380	79,498,187	333,405,380
Purchase of investment property		-	(42,903,973)	-	(42,903,973)
Purchase of property, plant and equipment		(6,322,502)	(125,120,218)	(5,743,451)	(123,338,239)
Proceeds from disposals of equipment		743,458	-	743,458	-
Purchase of computer software		(67,490)	(1,401,972)	(18,900)	(1,383,300)
Interest received		213,221	364,470	124,397	307,490
Dividend received	29	-	525,013	-	525,013
Net cash (used in) generated from investing activities		(14,352,412)	35,407,271	(18,043,367)	13,070,942
Cash flows from financing activities					
Proceeds from issue of ordinary shares	16	-	3,920,000	-	-
Finance lease liabilities		(2,067,627)	-	(2,067,627)	-
Dividend paid	33	(35,947,193)	(80,000,000)	(35,947,193)	(80,000,000)
Net cash used in financing activities		(38,014,820)	(76,080,000)	(38,014,820)	(80,000,000)
Net decrease in cash and cash equivalents		(33,561,326)	(20,685,174)	(12,814,892)	(52,788,692)
Cash and cash equivalents at the beginning of the year	9	65,753,225	86,438,399	23,000,199	75,788,891
Exchange losses on cash and cash equivalents		(47,022)	-	-	-
Cash and cash equivalents at the end of the year	9	<u>32,144,877</u>	<u>65,753,225</u>	<u>10,185,307</u>	<u>23,000,199</u>

Significant non-cash transactions

Significant non-cash transactions for the year ended 31 December are as follows:

Account payables from building and equipment acquisition	29,671	3,630,879	29,671	3,630,879
Acquired vehicles under finance lease	4,727,327	-	4,727,327	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General information

TV Thunder Public Company Limited ("the Company") is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

1213/309 - 10 Soi Lardprao 94 (Panjamit) Srivara Road , Phlapphla , Wangthonglang Bangkok 10310.

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

The principal business operations of the Group are summarised as follows:

1. Producing of television series and variety shows
2. Providing advertising services and other sales promotion activities
3. Managing, promoting and producing television programs, music, series and movies
4. Artist management

These consolidated and separate financial statements have been authorised for issue by the Board of Directors on 23 February 2018.

2 Accounting policies

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

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 6.

Comparative figures have been reclassified to conform with changes in presentation in the current year as disclosed in Note 5

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

2 Accounting policies (continued)

2.2 Revised financial reporting standards, and related interpretations

- 1) Revised financial reporting standards and interpretations are effective on 1 January 2017 which are relevant and have a significant impact to the Group:

TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 38 (revised 2016)	Intangible assets

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

TAS 28 (revised 2016), the significant change is the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and perform a consolidation at the level of the investment entity associate or joint venture.

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

- 2) Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet early adopted these revised standards before the effective date.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements

1) Subsidiaries

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

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

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

2 Accounting policies (continued)

2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (continued)

1) Subsidiaries (continued)

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

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

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

2) Transactions with non-controlling interests

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

3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

4) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

2 Accounting policies (continued)

2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (continued)

5) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in associates and joint ventures is recognised in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

6) Separate financial statement

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

2.4 Foreign currency translation

1) Functional and presentation currency

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

2) Transactions and balances

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

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

2 Accounting policies (continued)

2.5 Cash and cash equivalents

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

2.6 Short-term investments

Short-term investments comprise 12-month fixed deposits and investments in debt mutual fund which are initially recognised at cost, which are equal to the fair value of consideration paid plus transaction cost and are subsequently measured at fair value. The fair value of investment is based on Net Asset Value (NAV) announced by the Asset Management Company. The unrealised gains and losses of short-term investments are recognised in other comprehensive income.

2.7 Trade accounts receivable

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

2.8 Inventories

Inventories include television programmes, recording tapes, books and CDs

Television programmes include cost of production for both television programmes under production and television programmes ready to broadcast. The cost of production comprise of costs directly attributable to programmes production which will be recognised as cost when the television programmes broadcast or when the services are rendered.

Books and other inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories and is recognised in administrative expenses.

2.9 Investments

Investments other than investments in subsidiaries are classified as available-for-sale investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.

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

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 or Net Asset Value (NAV) announced by the Asset Management Company. The unrealised gains and losses of available-for-sale investments are recognised in other comprehensive income.

2 Accounting policies (continued)

2.9 Investments (continued)

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

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

2.10 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 Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs 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 any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated.

2.11 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	40 years
Building improvements	20 years
Buildings	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Tools and equipment for television programme production	5 years
Vehicles	5 years
Computer equipment	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 (losses)/gains – net' in profit or loss.

2 Accounting policies (continued)

2.12 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 are 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 asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 5 years.

2.13 Goodwill

At the date of acquisition, Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.14 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 Accounting policies (continued)

2.15 Leases

Leases - where the Group is the lessee

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.

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

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities 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 so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each 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.

2.16 Current and deferred income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries 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 income 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 income 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 income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income 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 income 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 income 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 income 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 Accounting policies (continued)

2.17 Employee benefits

The Group operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

The Group recognises a liability and an expense for bonuses and expected benefit. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

A defined contribution plan is a retirement 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. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually 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 retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.18 Provisions

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.

2.19 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 Accounting policies (continued)

2.20 Revenue recognition

Revenue from advertising is recognised when the commercial is already broadcasted on television.

Revenue from services is recognised when services are rendered. Revenue from services comprises of revenue from the production of television drama series and television varieties and revenue from event management.

Revenue from artist management is recognised when artists under the Company complete its service to clients in each time as stated in related service contracts. The terms of contracts are usually from 1 month to 1 year, which require artists to commit to those terms as stated in the contract i. e. advertising of merchandise or film starring.

Revenue from sales is recognised when goods are delivered and significant risks and rewards of ownership of the goods are transfer to the buyer. Revenue from sales is mainly from selling books.

Where the Group perform its duty or activity as an agent, related revenues and costs incurred are presented in the financial statements on a netting basis.

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.

Dividends are recognised when the right to receive payment is established.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

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 Board of Directors that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, cash flow interest rate 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 management under policies approved by the board of directors. They identify, evaluate and provide written principles for overall risk management, as well as written policies covering specific areas.

1) Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its trading transactions are mainly carried out in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

2) Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's normal exposure to interest rate risk relates primarily to its cash at banks. However, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk, as the management believes that future movements in market interest rates will not materially affect the Group's operating results.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3) Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. The Group management believe that the maximum exposure is the netted amount of trade receivables after deduction of allowance for doubtful accounts as presented in the statement of financial position.

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. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value estimation

The following table presents the Group's financial assets and liabilities that are measured at fair value. See note 10 for disclosures of short-term investments that are measured at fair value and note 15 for disclosures of available-for-sale investments that are measured at fair value.

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Financial assets								
Short-term investments	696,143	976,871	-	-	-	-	696,143	976,871
Available-for-sale investments	59,104,686	75,443,910	-	-	-	-	59,104,686	75,443,910
Total assets	59,800,829	76,420,781	-	-	-	-	59,800,829	76,420,781
	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Financial assets								
Short-term investments	696,143	976,871	-	-	-	-	696,143	976,871
Available-for-sale investments	47,084,384	61,075,763	-	-	-	-	47,084,384	61,075,763
Total assets	47,780,527	62,052,634	-	-	-	-	47,780,527	62,052,634

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price by reference to the Stock Exchange of Thailand. These instruments are included in level 1.

There were no transfers between Levels 1 and 2 during the period.

There were no changes in valuation techniques during the period.

4 Business combination

On 1 August 2016, the Group entered into a business purchase agreement and completed the acquisition of a business of Bigbrain Creation Co., Ltd., which operates as the producer of advertising content, television program, movies for a consideration of Baht 8 million. Bigbrain Co., Ltd., a subsidiary of TV Thunder Public Company Limited, has been established for the purpose of this acquisition. As a result of the business combination, the Group expected to increase its presence in these markets. It also expects to reduce costs through economics of scale.

The goodwill of Baht 6.8 million arises from a number of factors such as expected synergy's through combining a highly skilled workforce and obtaining economies of scale and unrecognised assets such as the workforce.

The following table summarises the consideration paid for Bigbrain Creation Co., Ltd., and the amounts of the assets acquired and liabilities assumed recognised at the business combination date.

Consideration paid at 1 August 2016

	Baht
Cash	8,000,000
Total consideration	8,000,000
Recognised fair value of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	1,364,369
Deferred tax assets (Note 21)	41,671
Retirement benefit obligations (Note 25)	(208,356)
Total identifiable net assets	1,197,684
Goodwill (Note 20)	6,802,316
	8,000,000

The Group has recorded the net assets acquired as of the business combination date. The remaining excess of the total consideration transferred over the net assets acquired has been recorded as goodwill.

The revenue included in the consolidated statement of comprehensive income from 1 August 2016 to 31 December 2016 contributed by the business combination was Baht 0.85 million. The business combination also contributed loss of Baht 2.33 million over the same period.

Had the business been consolidated from 1 January 2016, the consolidated statement of comprehensive income for the year ended 31 December 2016 would show revenue of Baht 525.91 million and profit of Baht 39.23 million.

Share resale right

The Company entered into a condition whereby the Company has its right to sell the shares back to the former shareholders of Bigbrain Creation Co., Ltd. ("the Former Shareholders") if the results of operations for 5 years, excluding the projects received from the Company, are less than the plan which the Former Shareholders proposed to the Company exceeding 20%. The Former Shareholders agreed to purchase all of the Company's holding shares at the higher price between the price that the Company invested plus an agreed percentage rate of return and the price of net book value per share in the accounting period of which the share sell back has declared.

5 Change in presentation

The Group changed its presentation of pending input VAT and output VAT. In 2017, the Group reclassified it by presenting pending input VAT separately from pending output VAT. Comparative figures have been reclassified to conform with the current year presentation. As a result as at 31 December 2016, in consolidated financial information, other current assets and other current liabilities were increased by Baht 4,633,527 and in separate financial information, other current assets and other current liabilities were increased by Baht 2,070,684 accordingly.

6 Critical accounting estimates and judgements

Estimates 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.

6.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Impairment of receivables

The Group provides for an allowance for doubtful accounts to reflect the impairment of trade receivables from estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is derived from the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

(b) Allowance for diminution in value of inventories

The Group has made allowance, where necessary, for diminution in value of inventories by estimating the net realisable value which was calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable estimation is based on historical experience, management's knowledge of the industry and future market trends.

(c) Buildings and equipment and intangible assets

Management determines the estimated useful lives for the Group's buildings and equipment and intangible assets. Management will revise the depreciation charge where useful lives are different from previously estimated period, or it will write-down for technically obsoleted assets that have been abandoned or sold.

(d) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.13. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

If the estimated these factors at 31 December 2017 had changed more than management's estimates at 31 December 2016, the Group would consider to set impairment of goodwill.

Gross margin	decrease by 0.13%
Growth rate	decrease by 0.14%
Discount rate	increase by 0.04%

(e) Retirement benefits

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligation.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits obligations. In determining the appropriate discount rate, the Group considers the 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 the terms of the related retirement benefits liability.

Additional information of other key assumptions for retirement benefits obligations other is disclosed in Note 25.

6 Critical accounting estimates and judgements (continued)

6.2 Critical judgements in applying the entity's accounting policies

Joint arrangements

The Group holds 50% of the voting rights of its joint arrangement. The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is Group required from all parties to the agreements for all relevant activities.

The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture.

7 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, issue new shares, or sell assets to reduce debt.

8 Segment information

The Company reported operating segments 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 Board of Directors that makes strategic decisions.

The factors used to identify the Group's reportable segments include types services. There are four reportable segments i.e. (1) advertising business (2) services, event and television programme production business (3) artist management business and (4) other business.

The Board of Director assesses the performance of the operating segments based on revenues from segment. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The Company's revenues between segments are carried out at arm's length. The revenue from external parties reported to the Board of Director is measured in a manner consistent with that in the statement of comprehensive income.

8 Segment information (continued)

Revenue and profits information by business segment for the year ended 31 December comprise the following:

	2017					2016				
	Advertising Baht	Services, event and television programme production Baht	Artist management Baht	Others Baht	Total Baht	Advertising Baht	Services, event and television programme production Baht	Artist management Baht	Others Baht	Total Baht
Revenues from operation	257,235,694	273,197,269	3,820,647	145,794	534,399,404	329,808,178	306,302,776	1,720,734	19,259	637,850,947
Inter-segment revenue	(32,777,189)	(72,489,139)	(186,680)	-	(105,453,008)	(22,568,500)	(107,610,467)	(97,010)	-	(130,275,977)
Total revenue	224,458,505	200,708,130	3,633,967	145,794	428,946,396	307,239,678	198,692,309	1,623,724	19,259	507,574,970
Segment result	47,022,781	67,184,954	797,337	98,355	115,103,427	86,613,256	62,498,554	371,879	1,738	149,485,427
Other income (Note 29)					3,533,553					8,629,831
Unallocated costs - selling and administrative expenses					(98,000,547)					(98,558,828)
Finance cost					(131,274)					(145)
Share of result of associates					924,297					-
Profit before income tax					21,429,456					59,556,285
Income tax expense					(4,562,687)					(12,326,905)
Net profit for the year					16,866,769					47,229,380
Capital expenditures					426,808,992					433,920,634
Unallocated assets					297,500,916					333,790,613
Total assets					724,309,908					767,711,247

Advertising revenues and direct costs concerned which are collected and paid with trading parties when the Company performs its duty as an agent, of Baht 110.91 million are presented in the financial statements as a netted amount in accordance with Note 2.20 (2016 : Baht 129.72 million).

9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	453,388	607,052	361,486	407,632
Deposits held at call with banks	31,691,489	65,146,173	9,823,821	22,592,567
	<u>32,144,877</u>	<u>65,753,225</u>	<u>10,185,307</u>	<u>23,000,199</u>

As at 31 December 2017, the weighted average effective interest rate of deposits with banks was 0.50% - 0.63% per annum (2016: 0.00% - 0.38% per annum).

10 Short-term investments

Short-term investments comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
12-month fixed deposits	696,143	976,871	696,143	976,871
	<u>696,143</u>	<u>976,871</u>	<u>696,143</u>	<u>976,871</u>

11 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts receivable - third parties	63,609,531	88,214,057	45,954,615	42,685,803
<u>Less</u> Allowance for doubtful accounts	<u>(3,488,733)</u>	<u>(3,488,733)</u>	<u>(3,488,733)</u>	<u>(3,488,733)</u>
	60,120,798	84,725,324	42,465,882	39,197,070
Trade accounts receivable				
- related parties (Note 34.3)	-	-	6,115,562	38,299,955
Other receivables - third parties	2,149,668	999,597	1,241,125	309,710
Accrued income				
- television program production	3,498,391	9,144,696	3,498,391	9,144,696
Accrued income				
- related parties (Note 34.3)	21,868	-	4,162,513	-
Prepayments - production cost and others	1,912,296	967,355	1,699,000	832,195
Prepayments - related parties (Note 34.3)	-	-	30,590,000	6,448,000
	<u>67,703,021</u>	<u>95,836,972</u>	<u>89,772,473</u>	<u>94,231,626</u>

11 Trade and other receivables, net (continued)

The aging analysis of the trade accounts receivable is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within credit term	58,823,371	84,254,716	41,168,455	38,726,462
Overdue				
Up to 3 months	287,830	470,608	287,830	470,608
3 - 6 months	160,500	-	160,500	-
6 - 12 months	561,750	-	561,750	-
Over 12 months	3,776,080	3,488,733	3,776,080	3,488,733
	63,609,531	88,214,057	45,954,615	42,685,803
<u>Less</u> Allowance for doubtful accounts	(3,488,733)	(3,488,733)	(3,488,733)	(3,488,733)
	<u>60,120,798</u>	<u>84,725,324</u>	<u>42,465,882</u>	<u>39,197,070</u>

Outstanding amounts due from related parties can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within due	-	-	6,115,562	38,299,955

Receivables from related parties are mainly from television programme production services, television programme consultant services and television commercial management and public relation services that the Company has provided to Creatist Media Company Limited.

12 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Television programme under production	53,919,336	44,750,546	32,433,161	43,623,127
Books and CDs	18,975	3,454,098	18,975	3,454,098
<u>Less</u> Allowance for obsolete inventories	-	(3,289,998)	-	(3,289,998)
	18,975	164,100	18,975	164,100
Other inventories	2,620,269	2,586,397	2,620,269	2,586,397
Total	<u>56,558,580</u>	<u>47,501,043</u>	<u>35,072,405</u>	<u>46,373,624</u>

During the year 2017, the Group reversed allowance for obsolete inventories amounted Baht 696,536 (2016: Baht 142,993). The reversed amount reversed has been included in administrative expenses in the statement of comprehensive income. In the same year, the Group write-offs the obsolete inventories amounted Baht 2,593,462

13 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Account receivable - Revenue Department	34,349,191	26,652,689	24,004,968	15,688,981
Pending input VAT	2,741,701	4,633,527	2,311,691	2,070,684
Deposits	313,188	583,673	298,188	583,673
Others	1,266,388	770,929	631,296	639,979
Total	38,670,468	32,640,818	27,246,143	18,983,317

14 Restricted deposits at financial institution

The Company has pledged its fixed deposits bank accounts of Baht 831,000 (2016: Baht 2,093,814) as collateral for bank guarantees for normal business purposes (Note 36).

15 Available-for-sale investments

The movements in available-for-sale investments during the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening net book amount	75,443,910	244,110,564	61,075,763	202,016,263
Additions	77,000,000	191,000,000	65,000,000	191,000,000
Disposals	(93,120,141)	(358,784,503)	(78,995,137)	(330,909,508)
Changes in fair value of AFS investments	(219,083)	(882,151)	3,758	(1,030,992)
Ending net book amount	59,104,686	75,443,910	47,084,384	61,075,763

At 31 December, the fair value of the available-for-sale investments are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost	59,004,863	75,125,005	47,004,863	61,000,000
Unrealised gain	99,823	318,905	79,521	75,763
	59,104,686	75,443,910	47,084,384	61,075,763

Available-for-sale investments represent investments in mutual funds as administrated by a financial institution. The fair value of available-for-sale investments are based on Net Asset Value (NAV) announced by the Asset Management Company. The fair values are within level 1 of the fair value hierarchy.

16 Investments in subsidiaries, associate and interests in joint venture

The amounts recognised in the statements of financial position at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Equity method Baht	2016 Equity method Baht	2017 Cost method Baht	2016 Cost method Baht
Associate	20,853,256	-	20,500,000	-
Joint venture	3,071,041	-	2,500,000	-
	<u>23,924,297</u>	<u>-</u>	<u>23,000,000</u>	<u>-</u>

The amounts recognised in the statement of comprehensive income for the period ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Associate	353,256	-	-	-
Joint venture	571,041	-	-	-
	<u>924,297</u>	<u>-</u>	<u>-</u>	<u>-</u>

(a) Investment in associate

Set out below is an associate of the Group as at 31 December. An associate as listed below has share capital consisting of ordinary shares and preferred shares which are held directly by the Group; the country of incorporation or registration is also its principal place of business.

Nature of investment in associate

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of the business	Measurement method
		2017	2016		
Moindy Digital Co., Ltd	Thai	36.84	-	Video management on advertising media	Equity method

On 9 May 2017, the Board of Directors Meeting 2/2017 of the Company approved the investment in Moindy Co., Ltd. The Company invested in 10,000 ordinary shares at par value of Baht 100 per share on the date of incorporation. With the same approval, the Company additionally invested in 5,000 preferred shares and 2,500 preferred shares at par value of Baht 2,600 per share on 31 May 2017 and 30 November 2017, respectively. The investment totaling Baht 20.50 million represents the ownership interest of 36.84%, which paid-up in full for the subscribed shares in November 2017.

Moindy Digital Co., Ltd is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in the associate.

The Group has interests in individually immaterial associate that are accounted for using the equity method as below.

	2017 Baht	2016 Baht
Aggregate carrying amount of associate	<u>20,853,256</u>	<u>-</u>
Aggregate amounts of the Group's share of:		
Profit for the year	353,256	-
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>353,256</u>	<u>-</u>

16 Investments in subsidiaries, associate and interests in joint venture (continued)

(b) Interests in joint venture

The joint venture listed below has its share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business.

Nature of interests in joint venture

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of the business	Measurement method
		2017	2016		
Triple S Interactive Co., Ltd.	Thai	50.00	-	Online game and software development for online game	Equity method

On 9 August 2017, the Executives Meeting 7/2017 of the Company approved to invest in 25,000 ordinary shares at par value of Baht 100 per share of Triple S Interactive Co., Ltd totalling Baht 2.50 million, which represents the ownership interest of 50%. The Company paid-up in full for subscribed shares in August 2017.

Triple S Interactive Co., Ltd. is deemed a joint venture of the Group so it isn't included in the consolidated financial information. TV Thunder Public Company Limited and another shareholder each have 50% ownership interest in Triple S, but neither has control over it. Both shareholders can appoint up to two representatives to board of directors and shareholders meetings. Every meeting requires more than half of all directors to set up the meeting, and meeting resolutions are approved by a majority vote.

Triple S Interactive Co., Ltd. is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in the joint venture.

The Group has interests in individually immaterial joint venture that are accounted for using the equity method.

	2017 Baht	2016 Baht
Aggregate carrying amount of associate	3,071,041	-
Aggregate amounts of the Group's share of:		
Profit for the year	571,041	-
Other comprehensive income	-	-
Total comprehensive income	571,041	-

In addition, at the Executive Committees' Meeting no. 5/2017 held on 18 July 2017, the executive committees passed a resolution approving the investment in newly established joint venture by EM Entertainment Co., Ltd., a subsidiary of the Company, totalling Baht 2,000,000 representing 50% of interest for the purpose of reality show production. The joint venture is established according to the joint television programme production agreement on 12 September 2017. However, no consideration is transferred and there is no transaction in joint venture during the year 2017.

16 Investments in subsidiaries, associate and interests in joint venture (continued)

(c) Subsidiaries

The Group comprises of the subsidiaries listed below as at 31 December. All subsidiaries are included in the consolidation and have share capital consisting solely of ordinary shares, that are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group.

Name	Place of business /country of incorporation	Type of business	% of ownership interest held by parent		% of ownership interest held by non-controlling interests		Investments using cost method	
			2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Creatist Media Co., Ltd.	Thailand	Advertising	100	100	-	-	26,462,547	26,462,547
EM Entertainment Co., Ltd.	Thailand	Artist management	100	100	-	-	9,876,910	9,876,910
Bigbrain Co., Ltd	Thailand	Television programme production	51	51	49	49	4,080,000	4,080,000
Total investments in subsidiaries							40,419,457	40,419,457
<u>Less</u> Allowance for impairment							(2,920,661)	(2,920,661)
Investments in subsidiaries, net							<u>37,498,796</u>	<u>37,498,796</u>

The above allowance for impairment represents the allowance for impairment of EM Entertainment Co., Ltd. due to its continued loss in the past. However, such subsidiary started to generate profit in 2017.

16 Investments in subsidiaries, associate and interests in joint venture (continued)

(c) Subsidiaries (continued)

The movements of investments in subsidiaries are as follows:

	Separate financial statements	
	2017 Baht	2016 Baht
Opening balance	37,498,796	33,418,796
Additions	-	4,080,000
Closing balance	37,498,796	37,498,796

On 25 July 2016, the Company registered the establishment of a subsidiary, Big Brain Co., Ltd., with the Ministry of Commerce according to the Board of Directors' Meeting held on 11 May 2016. The subsidiary's principal business is providing production of variety shows. TV Thunder Public Company Limited held 51% interest. Such subsidiary has 80,000 registered shares at par value of Baht 100 per share, totaling Baht 8,000,000 which has been fully paid-up. The Company's portion is Baht 4.08 million and non-controlling interest's portion is Baht 3.92 million.

17 Investment properties

	Consolidated and Separate financial statements		
	Land Baht	Construction in progress Baht	Total Baht
As at 1 January 2016			
Cost	28,074,208	27,418,277	55,492,485
<u>Less</u> Accumulated depreciation	-	-	-
Net book amount	28,074,208	27,418,277	55,492,485
For the year ended 31 December 2016			
Opening net book amount	28,074,208	27,418,277	55,492,485
Additions	-	38,090,043	38,090,043
Transferred to property, plant and equipment (Note 18)	(28,074,208)	(65,508,320)	(93,582,528)
Closing net book amount	-	-	-
As at 31 December 2016			
Cost	-	-	-
<u>Less</u> Accumulated depreciation	-	-	-
Net book amount	-	-	-

In June 2016, management reclassified its studios based on the recent space utilisation plan. Previously, one of three studios was intended for rent to third parties and was presented and included in investment properties. Going forward, all three studios have been reclassified as fixed assets for the Group's use to support the Group's anticipated production volume increase. Such reclassified was approved by management of the Company on 27 June 2016.

There is no movement for the year 2017

18 Property plant and equipment, net

Consolidated financial statements										
	Land Baht	Land and buildings improvements Baht	Buildings Baht	Office equipment Baht	Furniture and fixtures Baht	Tools and equipment for television programme production Baht	Vehicles Baht	Computers Baht	Construction in progress Baht	Total Baht
As at 1 January 2016										
Cost	138,844,566	16,085,697	61,094,289	13,425,769	6,162,320	23,165,739	19,899,188	8,543,649	68,853,285	356,074,502
<u>Less</u> Accumulated depreciation	-	(10,330,247)	(42,107,740)	(9,830,186)	(5,545,373)	(21,000,005)	(18,454,981)	(6,364,156)	-	(113,632,688)
<u>Less</u> Allowance for decrease in value	(6,946,575)	-	(775,982)	-	-	-	-	-	-	(7,722,557)
Net book amount	131,897,991	5,755,450	18,210,567	3,595,583	616,947	2,165,734	1,444,207	2,179,493	68,853,285	234,719,257
For the year ended 31 December 2016										
Opening net book amount	131,897,991	5,755,450	18,210,567	3,595,583	616,947	2,165,734	1,444,207	2,179,493	68,853,285	234,719,257
Business combination (Note 4)	-	-	-	163,008	113,302	466,660	-	621,399	-	1,364,369
Additions	-	80,750	1,479,068	1,063,056	722,953	558,854	-	2,181,481	110,721,270	116,807,432
Write-offs, net	-	-	-	(5,357)	(1,122)	(1,496)	-	(5)	-	(7,980)
Depreciation	-	(485,861)	(6,639,969)	(2,459,516)	(442,414)	(1,349,581)	(1,066,280)	(1,733,863)	-	(14,177,484)
Transferred from investment properties (Note 17)	28,074,208	-	-	-	-	-	-	-	65,508,320	93,582,528
Transferred in (out)	-	5,112,365	232,449,292	7,226,218	295,000	-	-	-	(245,082,875)	-
Closing net book amount	159,972,199	10,462,704	245,498,958	9,582,992	1,304,666	1,840,171	377,927	3,248,505	-	432,288,122
As at 31 December 2016										
Cost	166,918,774	21,278,812	295,022,649	21,658,479	7,286,712	24,133,198	19,899,188	11,273,887	-	567,471,699
<u>Less</u> Accumulated depreciation	-	(10,816,108)	(48,747,709)	(12,075,487)	(5,982,046)	(22,293,027)	(19,521,261)	(8,025,382)	-	(127,461,020)
<u>Less</u> Allowance for decrease in value	(6,946,575)	-	(775,982)	-	-	-	-	-	-	(7,722,557)
Net book amount	159,972,199	10,462,704	245,498,958	9,582,992	1,304,666	1,840,171	377,927	3,248,505	-	432,288,122

18 Property plant and equipment, net (continued)

	Consolidated financial statements									
	Land Baht	Land and buildings improvements Baht	Buildings Baht	Office equipment Baht	Furniture and fixtures Baht	Tools and equipment for television programme production Baht	Vehicles Baht	Computers Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2017										
Opening net book amount	159,972,199	10,462,704	245,498,958	9,582,992	1,304,666	1,840,171	377,927	3,248,505	-	432,288,122
Additions	-	150,323	-	841,508	557,433	368,082	6,987,335	611,566	-	9,516,247
Disposals/write-offs, net	-	-	-	(3,536)	(904)	(26)	(3)	(47)	-	(4,516)
Depreciation	-	(627,391)	(8,430,143)	(2,971,657)	(505,256)	(982,067)	(958,801)	(1,681,189)	-	(16,156,504)
Closing net book amount	159,972,199	9,985,636	237,068,815	7,449,307	1,355,939	1,226,160	6,406,458	2,178,835	-	425,643,349
As at 31 December 2017										
Cost	166,918,774	21,429,135	295,022,649	22,238,116	7,690,644	23,265,468	22,120,466	11,179,363	-	569,864,615
<u>Less</u> Accumulated depreciation	-	(11,443,499)	(57,177,852)	(14,788,809)	(6,334,705)	(22,039,308)	(15,714,008)	(9,000,528)	-	(136,498,709)
<u>Less</u> Allowance for decrease in value	(6,946,575)	-	(775,982)	-	-	-	-	-	-	(7,722,557)
Net book amount	159,972,199	9,985,636	237,068,815	7,449,307	1,355,939	1,226,160	6,406,458	2,178,835	-	425,643,349

18 Property plant and equipment, net (continued)

	Separate financial statements									Total Baht
	Land Baht	Land and buildings improvements Baht	Buildings Baht	Office equipment Baht	Furniture and fixtures Baht	Tools and equipment for television programme production Baht	Vehicles Baht	Computers Baht	Construction in progress Baht	
As at 1 January 2016										
Cost	138,844,566	16,085,697	61,094,289	13,367,221	6,162,320	23,165,739	16,590,188	8,348,972	68,853,285	352,512,277
<u>Less</u> Accumulated depreciation	-	(10,330,247)	(42,107,740)	(9,803,858)	(5,545,373)	(21,000,005)	(16,135,664)	(6,204,867)	-	(111,127,754)
<u>Less</u> Allowance for decrease in value	(6,946,575)	-	(775,982)	-	-	-	-	-	-	(7,722,557)
Net book amount	131,897,991	5,755,450	18,210,567	3,563,363	616,947	2,165,734	454,524	2,144,105	68,853,285	233,661,966
For the year ended 31 December 2016										
Opening net book amount	131,897,991	5,755,450	18,210,567	3,563,363	616,947	2,165,734	454,524	2,144,105	68,853,285	233,661,966
Additions	-	80,750	641,718	1,028,303	714,572	136,360	-	1,702,480	110,721,270	115,025,453
Write-offs, net	-	-	-	(5,357)	(2)	(1,496)	-	(5)	-	(6,860)
Depreciation	-	(485,861)	(6,625,746)	(2,429,801)	(432,394)	(1,296,197)	(402,964)	(1,598,067)	-	(13,271,030)
Transferred from Investment properties (Note 17)	28,074,208	-	-	-	-	-	-	-	65,508,320	93,582,528
Transferred in (out)	-	5,112,365	232,449,292	7,226,218	295,000	-	-	-	(245,082,875)	-
Closing net book amount	159,972,199	10,462,704	244,675,831	9,382,726	1,194,123	1,004,401	51,560	2,248,513	-	428,992,057
As at 31 December 2016										
Cost	166,918,774	21,278,812	294,185,299	21,402,170	7,166,229	23,244,044	16,590,188	9,978,810	-	560,764,326
<u>Less</u> Accumulated depreciation	-	(10,816,108)	(48,733,486)	(12,019,444)	(5,972,106)	(22,239,643)	(16,538,628)	(7,730,297)	-	(124,049,712)
<u>Less</u> Allowance for decrease in value	(6,946,575)	-	(775,982)	-	-	-	-	-	-	(7,722,557)
Net book amount	159,972,199	10,462,704	244,675,831	9,382,726	1,194,123	1,004,401	51,560	2,248,513	-	428,992,057

18 Property plant and equipment, net (continued)

	Separate financial statements									
	Land Baht	Land and buildings improvements Baht	Buildings Baht	Office equipment Baht	Furniture and fixtures Baht	Tools and equipment for television programmes production Baht	Vehicles Baht	Computers Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2017										
Opening net book amount	159,972,199	10,462,704	244,675,831	9,382,726	1,194,123	1,004,401	51,560	2,248,513	-	428,992,057
Additions	-	150,323	-	829,950	423,808	103,114	6,987,335	442,666	-	8,937,196
Disposals/write-offs, net	-	-	-	(3,076)	(904)	(26)	(3)	(47)	-	(4,056)
Depreciation	-	(627,391)	(8,262,671)	(2,916,084)	(466,103)	(772,482)	(632,435)	(1,274,606)	-	(14,951,772)
Closing net book amount	159,972,199	9,985,636	236,413,160	7,293,516	1,150,924	335,007	6,406,457	1,416,526	-	422,973,425
As at 31 December 2017										
Cost	166,918,774	21,429,135	294,185,299	21,974,259	7,436,536	22,111,346	18,811,466	9,715,387	-	562,582,202
<u>Less</u> Accumulated depreciation	-	(11,443,499)	(56,996,158)	(14,680,743)	(6,285,612)	(21,776,339)	(12,405,009)	(8,298,861)	-	(131,886,221)
<u>Less</u> Allowance for decrease in value	(6,946,575)	-	(775,981)	-	-	-	-	-	-	(7,722,556)
Net book amount	159,972,199	9,985,636	236,413,160	7,293,516	1,150,924	335,007	6,406,457	1,416,526	-	422,973,425

At 31 December 2016, the Company pledged part of land and building at net book value of Baht 116.31 million as collateral for bank overdraft and credit facilities obtained from a financial institution (Note 35).

The Company subsequently unpledged all of this part of land and buildings in May 2017 (Note 35).

18 Property plant and equipment, net (continued)

Leased assets included above, where the Group is a lessee under a finance lease, comprise vehicle:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost - capitalized finance leases	6,794,954	-	6,794,954	-
<u>Less</u> Accumulated depreciation	(563,923)	-	(563,923)	-
Net book amount	6,231,031	-	6,231,031	-

19 Computer software, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 1 January				
Cost	4,840,680	3,438,708	4,811,008	3,427,708
<u>Less</u> Accumulated amortisation	(3,208,168)	(2,750,142)	(3,197,650)	(2,743,923)
Net book amount	1,632,512	688,566	1,613,358	683,785
For the year ended 31 December				
Opening net book amount	1,632,512	688,566	1,613,358	683,785
Additions	67,490	1,401,972	18,900	1,383,300
Write-offs, net	(24)	-	(24)	-
Amortisation charge	(534,335)	(458,026)	(528,193)	(453,727)
Closing net book amount	1,165,643	1,632,512	1,104,041	1,613,358
As at 31 December				
Cost	4,773,570	4,840,680	4,695,308	4,811,008
<u>Less</u> Accumulated amortisation	(3,607,927)	(3,208,168)	(3,591,267)	(3,197,650)
Net book amount	1,165,643	1,632,512	1,104,041	1,613,358

20 Goodwill

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	6,802,316	-	-	-
Business combination (Note 4)	-	6,802,316	-	-
Closing balance	6,802,316	6,802,316	-	-

Goodwill is allocated to services, event, and TV programme production segment for the whole amount.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

20 Goodwill (continued)

The key assumptions used for value-in-use calculations are as follows:

Gross margin	20.00%
Growth rate	4.02%
Discount rate	11.08%

Management determined budgeted gross margin based on past performance and its expectations of market. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The recoverable amount will be equal to the carrying amount if the key assumptions used for value-in-use changes to be as follows:

Gross margin	19.87%
Growth rate	3.88%
Discount rate	11.12%

21 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	697,747	658,000	697,747	658,000
Deferred tax asset to be recovered after more than 12 months	5,452,348	5,753,501	5,356,084	5,690,592
	<u>6,150,095</u>	<u>6,411,501</u>	<u>6,053,831</u>	<u>6,348,592</u>
Deferred tax liabilities:				
Deferred tax liability to be settled within 12 months	(19,964)	-	(15,905)	-
Deferred tax liability to be settled after more than 12 months	(107,075)	(170,856)	(107,075)	(122,228)
	<u>(127,039)</u>	<u>(170,856)</u>	<u>(122,980)</u>	<u>(122,228)</u>
Deferred tax asset, net	<u>6,023,056</u>	<u>6,240,645</u>	<u>5,930,851</u>	<u>6,226,364</u>

Presentation in the statements of financial position is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred income tax assets	6,024,748	6,264,744	5,930,851	6,226,364
Deferred income tax liabilities	(1,692)	(24,099)	-	-
Deferred income taxes, net	<u>6,023,056</u>	<u>6,240,645</u>	<u>5,930,851</u>	<u>6,226,364</u>

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated statements of financial positions are presented at net amount of assets and liabilities incurred in each entity.

21 Deferred income tax (continued)

The movements in the deferred income tax account are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2017 Baht	2016 Baht
At 1 January	6,240,645	5,785,739	6,226,364	5,800,995
Business combination (Note 4)	-	41,671	-	-
(Charged) credit to profit or loss (Note 31)	(261,406)	219,771	(294,761)	256,242
Tax credit (charged) relation to components of other comprehensive income (Note 31)	43,817	193,464	(752)	169,127
At 31 December	6,023,056	6,240,645	5,930,851	6,226,364

21 Deferred income tax (continued)

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements							
	1 January 2016 Baht	Business combination (Note 4) Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	31 December 2016 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	31 December 2017 Baht
Deferred tax assets								
Allowance for obsolete inventories	686,599	-	(28,599)	-	658,000	(658,000)	-	-
Allowance for doubtful debt	717,747	-	(20,000)	-	697,747	-	-	697,747
Allowance for diminution in value of land and buildings	1,544,511	-	-	-	1,544,511	-	-	1,544,511
Employee benefit obligations	2,568,700	41,671	268,370	54,105	2,932,846	350,949	-	3,283,795
Allowance for impairment of investment in subsidiary	578,397	-	-	-	578,397	-	-	578,397
Finance lease liabilities	-	-	-	-	-	45,645	-	45,645
	<u>6,095,954</u>	<u>41,671</u>	<u>219,771</u>	<u>54,105</u>	<u>6,411,501</u>	<u>(261,406)</u>	<u>-</u>	<u>6,150,095</u>
Deferred tax liabilities								
Unrealised gain on available-for-sale investments	(310,215)	-	-	246,434	(63,781)	-	43,817	(19,964)
Employee benefit obligations	-	-	-	(107,075)	(107,075)	-	-	(107,075)
	<u>(310,215)</u>	<u>-</u>	<u>-</u>	<u>139,359</u>	<u>(170,856)</u>	<u>-</u>	<u>43,817</u>	<u>(127,039)</u>
Deferred income tax, net	<u>5,785,739</u>	<u>41,671</u>	<u>219,771</u>	<u>193,464</u>	<u>6,240,645</u>	<u>(261,406)</u>	<u>43,817</u>	<u>6,023,056</u>

21 Deferred income tax (continued)

The gross movement and deferred tax assets and deferred tax liability account is as follows (continued):

	Separate financial statements						
	1 January 2016 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	31 December 2016 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	31 December 2017 Baht
Deferred tax assets							
Allowance for obsolete inventories	686,599	(28,599)	-	658,000	(658,000)	-	-
Allowance for doubtful debt	717,747	(20,000)	-	697,747	-	-	697,747
Allowance for diminution in value of land and buildings	1,544,511	-	-	1,544,511	-	-	1,544,511
Employee benefit obligations	2,565,096	304,841	-	2,869,937	317,594	-	3,187,531
Allowance for impairment of investment in subsidiary	578,397	-	-	578,397	-	-	578,397
Finance lease liabilities	-	-	-	-	45,645	-	45,645
	<u>6,092,350</u>	<u>256,242</u>	<u>-</u>	<u>6,348,592</u>	<u>(294,761)</u>	<u>-</u>	<u>6,053,831</u>
Deferred tax liabilities							
Unrealised gain on available-for-sale investments	(291,355)	-	276,202	(15,153)	-	(752)	(15,905)
Employee benefit obligations	-	-	(107,075)	(107,075)	-	-	(107,075)
	<u>(291,355)</u>	<u>-</u>	<u>169,127</u>	<u>(122,228)</u>	<u>-</u>	<u>(752)</u>	<u>(122,980)</u>
Deferred income tax, net	<u>5,800,995</u>	<u>256,242</u>	<u>169,127</u>	<u>6,226,364</u>	<u>(294,761)</u>	<u>(752)</u>	<u>5,930,851</u>

21 Deferred income tax (continued)

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets in respect of losses that can be carried forward against future taxable income which due to the uncertainty in generating revenue and profit in the future. The details of tax loss carry forwards are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Unused tax loss carry forwards (Baht)	9,934,666	6,564,741	-	-
Unrecognised deferred income tax (Baht)	1,986,933	1,312,948	-	-
Expired years	2018 - 2022	2018 - 2021	-	-

22 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade payables - others	38,780,732	36,480,301	38,129,741	33,297,607
Trade payables - related parties (Note 34.3)	107,000	-	272,636	725,853
Other payables - others	49,516	28,180	23,738	8,346
Other payables - related parties (Note 34.3)	-	-	105,000	-
Accrued rebates for advertising agencies	934,476	2,502,334	724,056	2,018,584
Other accrued expenses	8,716,606	35,074,196	4,445,187	4,439,433
	48,588,330	74,085,011	43,700,358	40,489,823

23 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Value-added tax payables	1,145,658	3,142,568	1,145,658	2,730,665
Withholding tax payables	2,527,573	3,566,296	1,757,552	1,968,519
Deferred revenues for event production	7,936,095	6,258,750	7,531,515	6,258,750
Pending output VAT	4,520,888	8,225,090	3,355,058	5,253,894
Other current liabilities	754,235	747,573	722,505	711,706
	16,884,449	21,940,277	14,512,288	16,923,534

24 Finance lease liabilities

Finance lease liabilities are lease of vehicle for business operation. The remaining balance of finance lease liabilities are as below

	Consolidated and Separate financial statements	
	2017 Baht	2016 Baht
Finance lease liabilities	5,525,766	-
<u>Less</u> Deferred interest	<u>(798,438)</u>	<u>-</u>
Present value of finance lease liabilities	<u>4,727,328</u>	<u>-</u>
Representing lease liabilities:		
- Short-term	903,062	-
- Long-term	<u>3,824,266</u>	<u>-</u>
	<u>4,727,328</u>	<u>-</u>

The Company had liabilities under financial lease contracts with the details of payment as follows:

	Consolidated and Separate financial statements					
	2017			2016		
	Future minimun lease payment Baht	Deferred interest Baht	Present value of minimum lease payment Baht	Future minimun lease payment Baht	Deferred interest Baht	Present value of minimum lease payment Baht
Not later than one year	1,198,548	(295,486)	903,062	-	-	-
Later than 1 year but not later than 5 years	<u>4,327,218</u>	<u>(502,952)</u>	<u>3,824,266</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>5,525,766</u>	<u>(798,438)</u>	<u>4,727,328</u>	<u>-</u>	<u>-</u>	<u>-</u>

The effective interest rates at the statement of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Finance lease liabilities	7%	-	7%	-

25 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Statement of financial position:				
Retirement benefits	15,883,609	14,128,863	15,402,281	13,814,313
Profit or loss charge included in operating profit for:				
Retirement benefits	1,754,746	1,341,847	1,587,968	1,524,201
Remeasurement for:				
Retirement benefits	-	(264,849)	-	(535,374)

The movements of retirement benefit obligations during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	14,128,863	12,843,509	13,814,313	12,825,486
Business combination (Note 4)	-	208,356	-	-
Current service cost	1,422,854	1,053,799	1,266,112	1,236,821
Interest expense	331,892	288,048	321,856	287,380
	15,883,609	14,393,712	15,402,281	14,349,687
Remeasurements				
Loss from change in demographic assumptions	-	381,612	-	184,066
Loss from change in financial assumptions	-	842,268	-	865,233
Experience gain	-	(1,488,729)	-	(1,584,673)
	-	(264,849)	-	(535,374)
At 31 December	15,883,609	14,128,863	15,402,281	13,814,313

Total charge of Baht 1,754,746 (2016: Baht 1,341,847) was included in administrative expenses in the Consolidated financial statements and total charge of Baht 1,587,968 (2016: Baht 1,524,201) was included in administrative expenses in the Separate financial statements.

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2017 %	2016 %	2017 %	2016 %
Discount rate	2.33 - 3.41	2.33 - 3.41	2.33	2.33
Future salary increases rate	5.00	5.00	5.00	5.00
Resignation rate	0.00 - 36.00	0.00 - 36.00	0.00 - 36.00	0.00 - 36.00
Retirement age	60 years	60 years	60 years	60 years

25 Employee benefit obligations (continued)

The sensitivity analysis for each significant assumption disclosed as follows:

Consolidated financial statements					
Impact on employee benefit obligations					
Change in assumption		Increase in assumption		Decrease in assumption	
		2017	2016	2017	2016
	%	%	%	%	%
Discount rate	1.00	decrease by 4.46 - 15.38	decrease by 4.83 - 16.15	increase by 4.93 - 19.17	increase by 5.33 - 20.16
Future salary increases rate	1.00	increase by 5.74 - 19.73	increase by 5.13 - 19.56	decrease by 5.30 - 16.08	decrease by 4.75 - 16.06
Resignation rate	1.00	decrease by 4.76 - 17.08	decrease by 5.14 - 18.04	increase by 0.79 - 11.48	increase by 0.74 - 12.30

Separate financial statements					
Impact on employee benefit obligations					
Change in assumption		Increase in assumption		Decrease in assumption	
		2017	2016	2017	2016
	%	%	%	%	%
Discount rate	1.00	decrease by 4.46	decrease by 4.83	increase by 4.93	increase by 5.33
Future salary increases rate	1.00	increase by 5.74	increase by 5.13	decrease by 5.30	decrease by 4.75
Resignation rate	1.00	decrease by 4.76	decrease by 5.14	increase by 0.79	increase by 0.74

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 same method has been applied as when calculating the employee benefit obligations recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Expected maturity analysis of undiscounted employee benefits is as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Less than 1 year	-	-	-	-
Between 1 - 2 years	-	-	-	-
Between 2 - 5 years	14,648,102	11,780,297	14,390,804	11,522,999
Over 5 years	163,260,090	166,127,895	122,223,332	125,091,137
	<u>177,908,192</u>	<u>177,908,192</u>	<u>136,614,136</u>	<u>136,614,136</u>

26 Share capital

	Consolidated and Separate financial statements					
	Authorised share capital		Issued and paid-up capital		Share premium on ordinary shares Baht	Total Baht
	Number of shares Shares	Ordinary shares Baht	Number of shares Shares	Ordinary shares Baht		
At 1 January 2016	800,000,000	200,000,000	800,000,000	200,000,000	331,641,290	531,641,290
Increase in authorised share capital	200,000,000	50,000,000	-	-	-	-
At 31 December 2016	1,000,000,000	250,000,000	800,000,000	200,000,000	331,641,290	531,641,290

At the Annual General Meeting of the Company's shareholdings, held on 25 April 2016 had the resolutions to approve an increase of registered capital of the Company from Baht 200,000,000 to Baht 250,000,000 by the issuance of 200,000,000 new ordinary shares with a par value of Baht 0.25 each to support the issuance of warrants (Note 27). The Company registered the share increase with the Ministry of Commerce on 2 May 2016.

There is no movement for the year 2017.

27 Warrants

Warrants to purchase ordinary shares TVT-W1

On 17 May 2016, the Company issued warrants to offer to its existing shareholders according to the approval at the Annual General Meeting of the Company's shareholdings for the year 2016, held on 25 April 2016, detailed as follows:

Type of warrants	:	To be issued under the names of respective holders and transferable.
Term of warrants	:	2 years from the issuing and offering date
Number of warrants	:	199,999,976 units
Ratio	:	4 existing ordinary shares per 1 warrant
Offering price	:	Baht 0 per unit (at no value)
Exercise ratio	:	1 warrant per 1 ordinary share
Exercise price	:	Baht 1.50 per share
Exercise dates	:	30 June 2017, 29 December 2017 and 16 May 2018
Last exercise date	:	16 May 2018

27 Warrants (continued)

The movement of warrants to purchase ordinary shares for the year ended 31 December 2017 is as follows:

	Consolidated and Separate financial statements
	TVT-W1 Warrants
Opening balance	199,999,976
Warrants issued during the period	-
Closing balance	199,999,976

As at 31 December 2017, none of TVT-W1 warrants was executed.

28 Legal reserve

	Consolidated and Separate financial statements	
	2017 Baht	2016 Baht
At 1 January	8,890,687	6,376,578
Appropriation during the year	773,304	2,514,109
At 31 December	9,663,991	8,890,687

Under the public limited company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

In consolidated financial statements, legal reserve of subsidiaries included in unappropriated retained earnings.

29 Other income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Interest income	234,575	363,863	146,840	307,420
Gain (loss) on disposals and write-offs of equipment	738,942	(7,980)	739,402	(6,860)
Loss on write-offs of computer software	(24)	-	(24)	-
Gain from sale of short-term investments	-	760,675	-	760,675
Gain from sale of available-for-sale investments	917,218	2,620,877	503,050	2,495,872
Dividend income from available-for-sale investments	-	525,013	-	525,013
Reversal of allowance for doubtful accounts	-	100,000	-	100,000
Other income	1,642,842	4,267,383	1,355,795	3,632,226
Total	3,533,553	8,629,831	2,745,063	7,814,346

30 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at operating profit:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Television station rental	54,614,250	79,656,000	43,614,250	24,868,500
Wages moderators	42,659,539	36,324,502	42,806,419	36,470,912
Television programme and drama production shooting expenses	113,538,263	213,876,204	174,578,139	195,136,147
Staff costs	96,990,825	89,981,525	79,212,120	74,398,921
Depreciation (Note 18)	16,156,504	14,177,484	14,951,772	13,271,030
Amortisation of computer software (Note 19)	534,335	458,026	528,193	453,727
Reversal of allowance for obsolete inventories (Note 12)	(696,536)	(142,993)	(696,536)	(142,993)

31 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current income tax	(4,301,281)	(12,546,676)	(3,260,731)	(12,546,676)
Deferred tax: (Decrease) increase in deferred tax assets	(261,406)	219,771	(294,761)	256,242
Total deferred tax (Note 21)	(261,406)	219,771	(294,761)	256,242
Income tax expense	(4,562,687)	(12,326,905)	(3,555,492)	(12,290,434)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit before income tax	21,429,456	59,556,285	19,021,560	62,572,623
Tax calculated at a tax rate of 20%	(4,285,891)	(11,911,257)	(3,804,312)	(12,514,525)
Tax effects of:				
Associate's and joint venture's results	184,859	-	-	-
Expenses not deductible for tax purpose	(529,820)	(549,300)	(344,765)	(446,323)
Additional expenses deductible for tax purposes	776,284	879,424	593,585	670,414
Utilisation of previously unrecognised tax losses	263,927	29,558	-	-
Tax losses for which no deferred income tax asset was recognised	(972,046)	(775,330)	-	-
Tax charge	(4,562,687)	(12,326,905)	(3,555,492)	(12,290,434)

31 Income tax expense (continued)

The tax (charge)/credit relating to component of other comprehensive income is as follows:

Consolidated financial statements					
2017			2016		
Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurements of employee benefit obligations	-	-	264,849	(52,970)	211,879
Change in value of available-for-sale investments	(219,083)	(175,266)	(1,232,170)	246,434	(985,736)
	(219,083)	(175,266)	(967,321)	193,464	(773,857)
Separate financial statements					
2017			2016		
Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurements of employee benefit obligations	-	-	535,374	(107,075)	428,299
Change in value of available-for-sale investments	3,758	3,006	(1,381,011)	276,202	(1,104,809)
	3,758	3,006	(845,637)	169,127	(676,510)

32 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of issued ordinary shares during the period (Note 26).

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding by assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is warrants (Note 27). These warrants were only issued to the existing shareholders of the Company. The warrants are assumed to have been converted into ordinary shares, assuming that all warrants were exercised by considering the fair values of rights to purchase new ordinary shares. The purpose of this calculation is to determine the number of additional ordinary shares to be added to the number of shares currently held in the calculation of diluted earnings per share. No adjustment is made to earnings.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit attributable to shareholders (Baht)	19,384,955	48,369,064	15,466,068	50,282,189
Weighted average number of ordinary shares (shares)	800,000,000	800,000,000	800,000,000	800,000,000
Weighted average number of ordinary shares to be issued for warrants - TVT-W1 (shares)	13,664,595	29,854,924	13,664,595	29,854,924
Weighted average number of ordinary shares including diluted ordinary shares (shares)	813,664,595	829,854,924	813,664,595	829,854,924
Basic earnings per share (Baht)	0.0242	0.0605	0.0193	0.0629
Diluted earnings per share (Baht)	0.0238	0.0583	0.0190	0.0606

33 Dividend

At the Annual General Meeting of shareholders held on 25 April 2016, the shareholders passed a resolution approving dividend payment at Baht 0.10 per share (Baht 40 million from its operating results for 2015 and Baht 40 million from unappropriated retained earnings) for 800 million shares, totaling Baht 80 million. The dividends were distributed on 24 May 2016.

At the Annual General Meeting of Shareholders held on 25 April 2017, the shareholders passed a resolution approving dividend payments at Baht 0.045 per share for 800 million shares, totaling Baht 36 million. The dividends were distributed on 24 May 2017.

34 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 Company is controlled by related persons within the same family being Wannapinyo family which owns 60.05% (2016: 56.15%) of the Company's shares. The remaining 39.95% (2016: 43.85%) of the shares are widely held. The investments in subsidiaries are set out in Note 16.

Significant pricing policies for particular types of transactions are explained further below.

	Term and basis
Revenue from rendering of services, interest income	Determined at the price approximate to other customers.
Cost of services, Artists' compensation	Determined at the price nearly to other customers.

The following significant transactions were carried out with related parties:

34.1 Sales of goods and services

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiaries				
Revenue from television programme production services	-	-	97,002,850	129,608,500
Revenue from studio rental	-	-	576,000	48,000
Interest income on short-term loans	-	-	645	6,333
Joint venture				
Interest income on short-term loans	21,868	-	21,868	-
Revenue from service	330,000	-	330,000	-

Service revenues are mainly from production of television varieties programs which are charged at an agreed price.

34.2 Purchases of services and others

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiaries				
Actor's compensation	-	-	106,710	161,410
Cost of advertising	-	-	1,108,560	900,000
Cost of TV series production	-	-	2,215,561	672,467
Director				
Cost of TV series production	497,600	-	301,100	-

Cost of TV series production - director represents a service fee paid to a director as the artist for a variety show which is fixed per chapter and is based on market prices.

34 Related-party transactions (continued)

34.3 Outstanding balances arising from sales/purchases of goods/services

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiaries				
Trade accounts receivable	-	-	6,115,562	38,299,955
Accrued income	-	-	4,140,645	-
Prepayments - production cost and others	-	-	30,590,000	6,448,000
Trade accounts payable	-	-	165,636	725,853
Other payable	-	-	105,000	-
Associate				
Trade accounts payable	107,000	-	107,000	-
Joint venture				
Accrued income	21,868	-	21,868	-

34.4 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiary				
As at 1 January	-	-	-	-
Additions	-	-	1,690,600	2,000,000
Repayments	-	-	-	(2,000,000)
As at 31 December	-	-	1,690,600	-
Joint venture				
As at 1 January	-	-	-	-
Additions	4,500,000	-	4,500,000	-
As at 31 December	4,500,000	-	4,500,000	-

Short-term loans amount of Baht 2,000,000 are loans from TV Thunder Public Company Limited to Bigbrain Company Limited for TV programme production. The loans are unsecured and bear interest at the rate of 1.50% per annum. Such loans were fully repaid in November 2016.

During the year 2017, TV Thunder Public Company Limited provided loans to Bigbrain Company Limited amount Baht 1,690,600. The loans are short-term loans, unsecured and bear interest at the rate 1.38% per annum.

Short-term loans of Baht 4,500,000 are loans from TV Thunder Public Company Limited to Triple S Interactive Company Limited. The loans are unsecured and repayable on demand with fixed interest at the rate 1.38% per annum.

34 Related-party transactions (continued)

34.5 Management remuneration

The compensation paid or payable to key management is as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term employee benefits (Salary, bonus and other allowances)	33,749,879	32,009,182	23,779,520	22,754,682
Post-employee benefits	841,252	771,011	755,656	707,301
	<u>34,591,131</u>	<u>32,780,193</u>	<u>24,535,176</u>	<u>23,461,983</u>

The above remunerations exclude service fee paid to a director as an artist as disclosed in Note 34.2

35 Credit facilities

The Company has the following undrawn borrowing facilities:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Bank overdrafts	17,000,000	17,000,000	17,000,000	17,000,000
Promissory notes	20,000,000	20,000,000	20,000,000	20,000,000
Long-term borrowings	-	105,000,000	-	105,000,000

On 31 December 2016, the Company pledged part of land and buildings as collateral for long-term borrowings but unpledged them in May 2017 as disclosed in Note 18.

36 Contingent liabilities

Bank guarantee

Banks have provided guarantees on behalf of the Company and the Group as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Guarantee for utilities	625,000	625,000	625,000	625,000
Guarantee for goods payment	206,000	206,000	206,000	206,000
Guarantee for service agreement	-	1,262,814	-	1,262,814
	<u>831,000</u>	<u>2,093,814</u>	<u>831,000</u>	<u>2,093,814</u>

The guarantees are issued in the ordinary course of business. No liabilities are expected to arise from the above guarantees.



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