

PROVIDING  
THE BEST  
ENTERTAINMENT  
CONTENT

# TVT ANNUAL REPORT 2018



TV THUNDER  
Public Company Limited

# PROVIDING THE BEST ENTERTAINMENT CONTENT

# 2018



**TV THUNDER** WE ARE THE LEADING  
**CONTENT PROVIDER**  
WITH INTERNATIONAL EXPERTISE







# CONTENT

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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 2018 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 within 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 2018, 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 Socratyanurak  
Chairman

## GENERAL INFORMATION

### COMPANY NAME :

**TV THUNDER PUBLIC COMPANY LIMITED**

TV Thunder Public Company Limited has the symbol in the Stock Exchange of Thailand as "TVT". The main business is the producer is TV program and entertainment program. It was established on November 30, 1992 with an initial registered capital of 1,000,000 baht. The Company has transformed into the public company on December 2, 2014.

As of December 31, 2018, the Company has the 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 800,030,075 shares with total capital 200,007,518.75 baht.

The business line of the Company can be categorized into 5 groups 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, 3) Artist Management, 4) Production and Distribution of pocket books and advertising media, 5) Production and Distribution of cosmetics by Meraya Co., Ltd.

The head office is located at :  
1213/309-310 Ladprao 94 (Panjamitri)  
Sriwara Road, Wangthonglang, Wangthonglang,  
Bangkok 10310

Telephone +66 2559 0022 Fax +66 02559 3609  
Website : [www.tvthunder.co.th](http://www.tvthunder.co.th)

## OTHER IMPORTANT INFORMATION

### Company Registrar :

Thailand Securities Depository Co., Ltd.  
93, 14th floor, Ratchadaphisek Road, Dindaeng,  
Bangkok 10400  
Telephone +66 2009 9000 Fax +66 2009 9991

SET Contact center : +66 2009 9999

Website : <http://www.set.or.th/tsd>

### Auditor :

Miss Suvimol Krittayakien  
Certified Public Accountant (Thailand) No. 2982  
DIA International Audit Co., Ltd.  
316/32 Soi Sukhumvit 22, Sukhumvit Road  
Khlong Toei, Khlong Toei, Bangkok 10110  
Telephone +66 2259 5300 Fax +66 2260 1553

### Legal Advisor :

CMT Counsellor Company Limited  
75 Soi Phueang Mi 11, Sukhumvit Road  
Bang Chak, Phar Khanong, Bangkok 10260  
Telephone +668 1836 7236



# PROVIDING THE BEST ENTERTAINMENT CONTENT







PROF.DR. MONTRI SOCATIYANURAK  
CHAIRMAN

MR. SUDHITHAM CHIRATHIVAT  
DIRECTOR

ASSOC.PROF.DR. GALLAYANEE PARKATT  
DIRECTOR



MR. PHUSIT LAITHONG  
DIRECTOR

MR. PIRATH YENSUDJAI  
DIRECTOR

MR. NATAKRIT WANNAPINYO  
DIRECTOR



## BOARD OF DIRECTORS

MR. SOMPONG WANNAPINYO  
DIRECTOR/ CHAIRMAN OF ADVISORY

MRS. PATRAPORN WANNAPINYO  
VICE CHAIRMAN



MS. PIYAPORN LAITHONG  
EXECUTIVE COMMITTEE

MS. NAPAT WANNAPINYO  
EXECUTIVE COMMITTEE

MS. NAREE WICHUNAKORN  
EXECUTIVE COMMITTEE



## BOARD OF DIRECTORS

### PROF.DR. MONTRI SOCATIYANURAK

Chairman / Chairman of Nomination and Remuneration Committee / Independent Director / Audit Committee

Age : 62 Years old Nationality : Thai

Address : 29/37 Ladprao 23, Chandrakasem, Chatuchak, Bangkok 10900

#### Educational Background

**Doctoral degree** Economics  
University Of MINNESOTA, U.S.A.(government scholarship)

**Master's degree** Economics  
University Of MINNESOTA, U.S.A.(government scholarship)

**Master's degree** Economics  
National Institute of Development Administration

**Bachelor's degree** Economics, Thammasat University

**Training** : Certification of Institute of Director (IOD),  
Director Accreditation Program (DAP) Batch 69/2008  
on February 22, 2008

**Shareholding (%)** : None

**Date appointed as Director** : December 3, 2014

(The length of period in the office until April 2019 is 6 Years)

#### Position in the other company

- 2561 - Present Director of Advance Master of Management Program  
National Institute of Development Administration (NIDA)
- 2560 - Present Chairman  
PCN Corp Public Company Limited
- 2559 - Present Chairman  
Thai Plastic Industrial (1994) Public Company Limited
- 2558 - Present Independent Director / Chairman of Audit Committee  
Megachem (Thailand) Public Company Limited
- 2558 - Present Independent Director / Audit Committee  
Baansuay Group (Surat Thani) Public Company Limited
- 2555 - Present Independent Director / Chairman of Audit Committee  
East Coast Furnitech Public Company Limited
- 2554 - Present Independent Director / Audit Committee  
Union Auction Public Company Limited
- 2554 - Present Director  
LearnTech Co., Ltd.

**Relationship** : None

### MR. SUDHITHAM CHIRATHIVAT

Director / Audit Committee / Chairman of Risk Management Committee / Nomination and Remuneration Committee / Independent Director

Age : 71 Years old Nationality : Thai

#### Educational Background

**Master's degree** Business Administration (Operations Research)  
Iona University U.S.A

**Bachelor's degree** Electrical Engineering  
University of Maryland (COLLEGE PARK, MARYLAND) 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)

**Shareholding (%)** : None

**Date appointed as Director** : December 3, 2014

(The length of period in the office until April 2019 is 6 Years)

#### Position in the other company

- Present Director Central Group Co., Ltd.
- Present Director The Vintage Club Co., Ltd.
- Present Director Earthcare Co., Ltd.
- Present Director Robinson Public Company Limited
- Present Director Central Pattana Public Company Limited
- Present Director Central Plaza Hotel Public Company Limited
- Present Chairman and Independent Director  
Jasmine International Public Company Limited

**Relationship** : None

### ASSOC.PROF.DR. GALLAYANEE PARKATT

Director / Chairman of Risk Management Committee / Audit Committee / Independent Director

Age : 62 Years old Nationality : Thai

Address : 318 Phaholyothin28, Phaholyothin Road, Chatuchak, Bangkok 10900

#### Educational Background

**Doctoral degree** Ph.D (Finance)

RMIT University, Melbourne, Australia

**Master's degree** Business Administration  
(Business Administration – Finance)  
National Institute of Development Administration (NIDA)

**Master's degree** M.Bus (By Research)

RMIT University, Melbourne, Australia

**Bachelor's degree** Accounting

University of Thai Chamber of Commerce

**Training** : Certification of Director Accreditation Program (DAP)  
Batch 99/2012 from Institute of Director (IOD)

Shareholding (%) : None  
Date appointed as Director : December 3, 2014  
(The length of period in the office until April 2019 is 6 Years)  
Position in the other company  
2553 - Present Chairman of the Committee for Doctor of  
Philosophy in Business Administration  
Sukhothai Thammathirat Open University  
2556 - 2558 Vice Rector of Finance  
Sukhothai Thammathirat Open University  
Relationship : None

## MR. SOMPONG WANNAPINYO

Chairman of Advisory Board / Director  
Age : 69 Years old Nationality : Thai  
Educational Background  
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)

## MRS. PATRAPORN WANNAPINYO

Vice Chairman (Authorized Director) / Chairman of Executive  
Committee / Chief Executive Officer  
Age : 59 Years old Nationality : Thai  
Educational Background  
Master's degree Business Administration  
National Institute of Development Administration (NIDA)  
Bachelor's degree Communication Art  
Sukhothai Thammathirat Open University  
Training  
Certification of Director Accreditation Program (DAP)  
Batch 111/2014 from Institute of Director (IOD)

## MR. PHUSIT LAITHONG

Director / Executive Committee / Risk Management Committee /  
Vice President  
Age : 59 Years old Nationality : Thai  
Educational Background  
Bachelor's degree Education (Music)  
Chulalongkorn University  
Training  
Certification of Director Accreditation Program (DAP)  
Batch 112/2014 from Institute of Director (IOD)

## MR. PIRATH YENSUDJAI

Director (Authorized Director) / Executive Committee /  
Risk Management Committee / Vice President  
Age : 41 Years old Nationality : Thai  
Educational Background  
Master's degree Marketing Sasin Graduate Institute of Business  
Administration of Chulalongkorn  
Bachelor's 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)

## MR. NATAKRIT WANNAPINYO

Director / Executive Committee / Company Secretary  
Deputy Vice President for Business Development Division  
Age : 36 Years old Nationality : Thai  
Educational Background  
Master's degree Enterprise Management for Creative UK  
Bachelor's degree Sociology and Anthropology  
Thammasat University  
Training  
Certification of Director Accreditation Program (DAP)  
Batch 111/2014 from Institute of Director (IOD)

## MS. PIYAPORN LAITHONG

Executive Committee / Risk Management Committee /  
Deputy Vice President for Production Division  
Age : 57 Years old Nationality : Thai  
Educational Background  
Bachelor's degree Education, Chulalongkorn University

## MISS NAPAT WANNAPINYO

Executive Committee / Deputy Vice President for Marketing Division  
Age : 40 Years old Nationality : Thai  
Educational Background  
Master's degree Marketing University of East Anglia, UK  
Bachelor's degree Communication Art, Chulalongkorn University

## MISS NAREE WICHUNAKORN

Executive Committee / Risk Management Committee /  
Deputy Vice President for Finance Division  
Age : 58 Years old Nationality : Thai  
Educational Background  
Master's degree Accounting, Ramkhamhaeng University  
Bachelor's degree Accounting, Dhurakij Pundit University



## AWARDS OF ACHIEVEMENT



TV Thunder Public Company Limited has been received **"Prachabodee Award and Honorable Pin of the Year 2018"** from Department of Social Development and Welfare, Ministry of Social Development and Human Security as the one who made the outstanding benefits to those in difficult conditions or those in difficult conditions who perform well. The award has been presented by HRH Princess Soamsawali Phravararajinuddamat for the Drama "Luang Ta Mahachon" in the episode "Tang Dao Mai Tang Jai"



TV Thunder Public Company Limited has been received the Honorable Plaque for **"Best Creative Culture of the Year 2018"** from Ministry of Culture. General Prayut Chan-ocha, Prime Minister and the leader of the National Council for Peace and Order (NCPO) has presided over the ceremony.



TV Thunder Public Company Limited has been received the Honorable Plaque for **"Chor Sa-ard of the Year 2018"** from Office of the National Anti-Corruption Commission (NACC) as the producer of TV program with creativity in promoting morality for the Drama "Luang Ta Mahachon" in the episode "Tid Sin Bon". The award has been presented by Police General Watcharapol Prasarnratchakit, the Chairman of NACC.



TV Thunder Public Company Limited has been received the Plaque for **"Award for Contributor of Social Security Office of the Year 2018"** from Social Security Office, Ministry of Labour. The award has been presented by Police General Abdul Sangsingkaew, Minister of Labor.



TV Thunder Public Company Limited has been awarded for **TOP ENTERTAINMENT** in the **LINE TV Awards 2018** organized by LINE TV.

TV Thunder Public Company Limited has been presented with token of appreciation from **HRH Princess Soamsawali Phravararajatinuddamat** for the supporter of artists in the activity **World AIDS day 2018**.



TV Thunder Public Company Limited has been awarded for **Gold Play Button** from YouTube as TV THUNDER OFFICIAL has more than 1 million followers.



Tul - Pakorn Thanasrivannitchai and Max - Nattapol Diloknawarit, the artists under TV Thunder Public Company Limited have been awarded for **Sexy Couple of the Year 2018** from Attitude Magazine Thailand

Tul - Pakorn Thanasrivannitchai and Max - Nattapol Diloknawarit, the artists under TV Thunder Public Company Limited have been awarded for **Popular Votes** of Kazz Magazine of the year 2018 from Kazz Magazine





## Vision

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

## Mission

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

## Long-term Goal

To be the leading producer of quality contents  
for both local and international covering all platforms

## Business Overview

### Business Policy and Overview

TV Thunder Public Company Limited ("the Company" or "TV Thunder") was established on November 30, 1992 with an 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 800,030,075 shares with total capital 200,007,518.75 baht.

The main businesses of the Company are to provide services in TV Program production, event management, and production and distribution of pocket books as well as selling of advertising media

The businesses of the Company can be categorized into 5 groups 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, 3) Artist Management, 4) Production and Distribution of pocket books and advertising media, 5) Production and Distribution of cosmetics by Meraya Co., Ltd.

In previous year, the Board of Directors of the Company has considered and reviewed the vision, mission, and long-term goal and decided to use the same vision, mission, and long-term goal as follows.

#### Vision

To be a leading producer of contents and media that serve customers' needs in various channels in both local 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.

#### Long-term Goal

To be the leader in content production with high quality for both local and international contents in all platforms.



## 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.

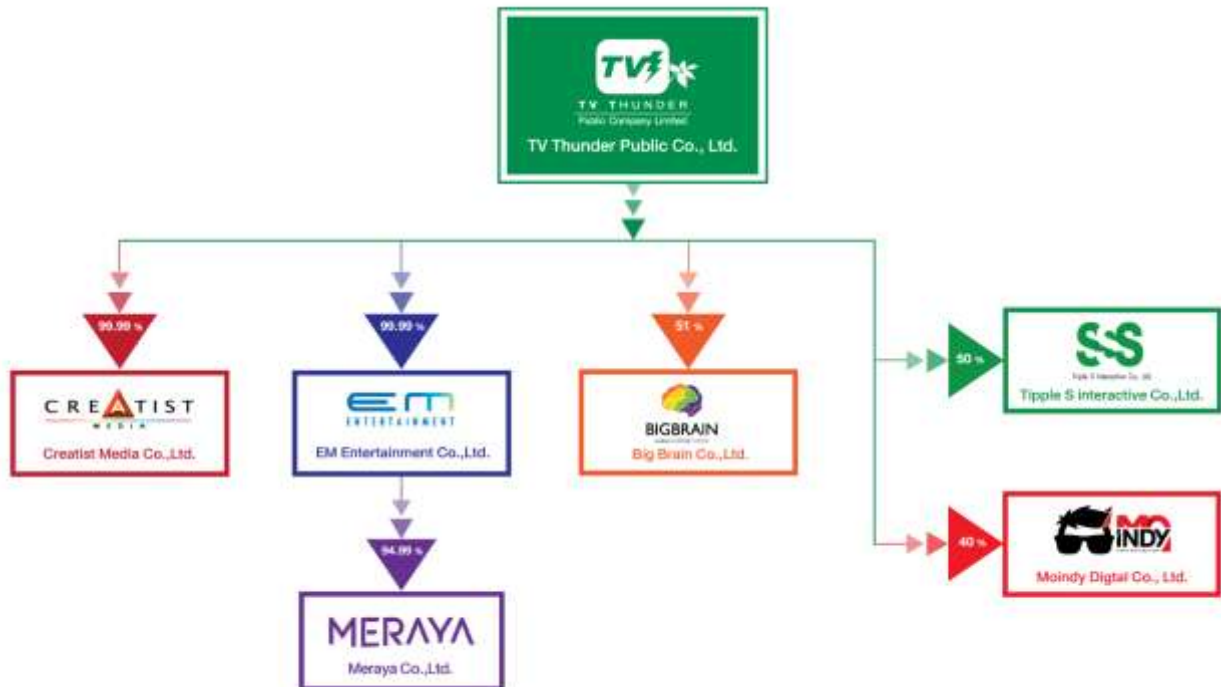
### ■ The subsidiaries of the Company are as follows.

- 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.
- Meraya Co., Ltd. (MRY) operates for producing and distributing cosmetics. EM Entertainment Co., Ltd. (EM) holds 47,499 shares, representing 94.998% of total register number of shares which are 50,000 shares with par value of 100 baht. Total registered and paid-up capital is 5,000,000 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 10,000 preferred shares, which is 40.00% of total registered number of shares which are 50,000. The par value is 100 baht per share. Total registered and paid-up capital is 5,000,000 baht.
- Triple S Interactive Co., Ltd. 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.
- Joint Venture Startup Star operates in producing reality show program. EM Entertainment Co., Ltd. a subsidiary of the Company has invested 2 million baht which is 50% of total investment in joint venture. This joint

venture has been established under the agreement in tv program co-production on September 12, 2017 and the Company has already paid all investment in April 2018.



## Nature of Business

The core business of the Company consists of 5 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.
- 3) Artist Management.
- 4) Production and Distribution of pocket books and advertising media.
- 5) Production and Distribution of cosmetics by Meraya Co., Ltd.

## 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 2018, the Company and CMED has produced and broadcasted for 10 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 Comedy drama which the characters in the story will meet unforeseen circumstances that is varied in each episode.
- 5) **Sitcom is a program** that looks like is a comedy in which the actors in the story will encounter unexpected situations, varying from one episode to another.

### 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 having 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 defines 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**

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.

#### ● **Pricing policy and sales promotion**

For pricing of advertising time in each program, The Company considers having 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.

#### ● Overview of Advertising Industry

The overview of advertising industry in 2018 showed the growth rate of 4% from previous year. Total advertising spending are 116 billion baht which has increased from total advertising spending in previous year at 112 billion baht. The advertising spending for Analog TV is 66,000 million which had increased from the spending in previous year at 62,781 million by 5%. The advertising spending for Cable TV / Satellite TV is 2,400 million baht which has decreased from previous year at 2,692 million baht by 11%. The advertising spending in Newspaper is 6,100 million baht which has decreased from previous year by 21% whereas the advertising spending in Magazine is 1,300 million baht which has decreased from previous year by 34%. The advertising spending in online media is 14,973 million baht which has increased from previous year by 21% whereas the advertising spending in instore media is 1,100 million baht which has increased from previous year by 16%. The increase in advertising spending of 4% (Source: Media Agency Association) is from the economic recovery and the normal advertising spending in October.

Based on the advertising spending share, the share for TV advertising is still in the 1<sup>st</sup> rank with the share of 59% of total advertising spending.

In 2018, there is no complaint from customers.

#### Share of Advertising Spending in 2017-2018

Source: \* Media Agency Association of Thailand

Advertising Media	2017		2018		% +/-
Analog TV	62,781	56%	66,000	57%	5%
Cable/Satellite TV	2,692	2%	2,400	2%	-11%
<b>Total TV</b>	<b>65,473</b>	<b>58%</b>	<b>68,400</b>	<b>59%</b>	<b>4%</b>
Radio	4,468	4%	4,600	4%	3%
Newspaper	7,704	7%	6,100	5%	-21%
Magazines	1,980	2%	1,300	1%	-34%
Cinema	6,815	6%	7,100	6%	4%
Outdoor	6,391	6%	6,800	6%	6%
Transit	5,878	5%	5,900	5%	0%
In Store	946	1%	1,100	1%	16%
Internet	12,402	11%	14,973	13%	21%
<b>Total</b>	<b>112,057</b>	<b>100%</b>	<b>116,273</b>	<b>100%</b>	<b>4%</b>



### ● TV Stations

Currently, there are Digital TV Stations that people can access without any charge or Free TV for 25 channels.

As of December 2018, 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 working 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. the Company has a greater 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.

### 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 2018, the Company had revenue from customer-owned products (Direct Customer) at 63.80% 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

### Proportion of Revenue from Advertising by Customer Group during 2015-2018

Customer Groups	Consolidated Financial Statement		
	2016	2017	2018
Direct Customer	29.31%	46.10%	63.80%
Agency	70.69%	53.90%	36.20%
<b>Total Advertising Spending</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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 chilli 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 form. 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 2018-2019

Customers	Consolidated Financial Statement					
	As of Dec 31, 2016		As of Dec 31, 2017		As of Dec 31, 2018	
Design and Production	193.14	97.21%	163.85	81.63%	253.81	80.16%
Event Organizing and Others	4.22	2.12%	25.59	12.75%	49.79	15.72%
Studio Services	1.33	0.67%	11.27	5.62%	13.03	4.12%
<b>Total revenues from rendering of services</b>	<b>198.69</b>	<b>100.00%</b>	<b>200.71</b>	<b>100.00%</b>	<b>316.63</b>	<b>100.00%</b>

Source : information from the Company



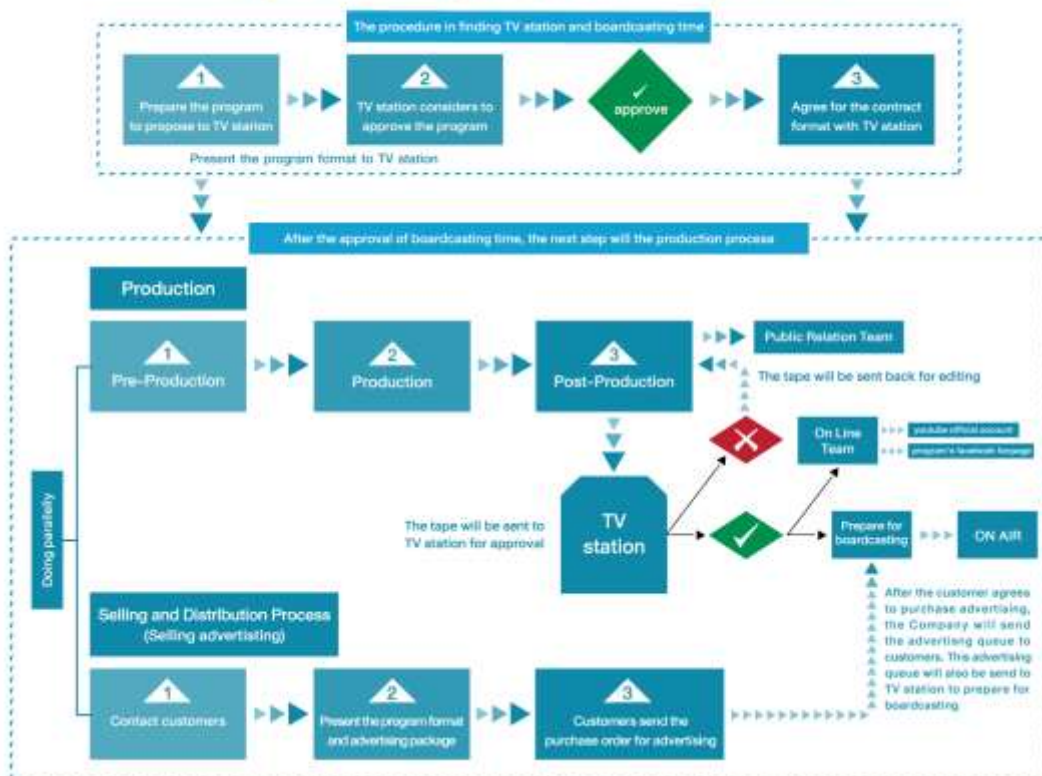
## Procurement

### 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.

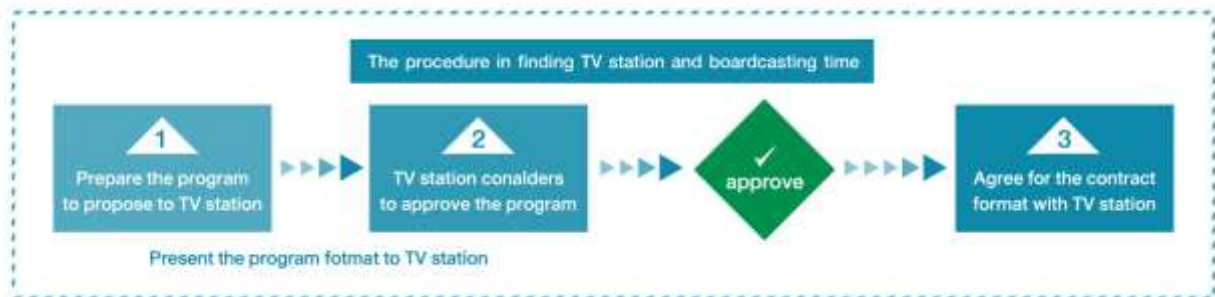


Figure illustrating the procurement process



### Step 1 : Selection of TV Stations and Broadcasting 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 board casting 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 Nine 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**

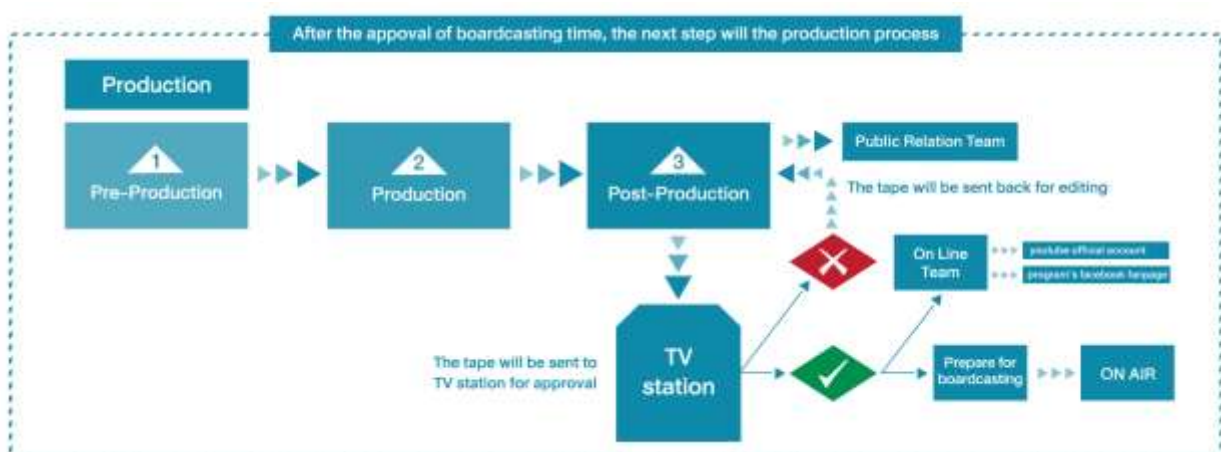
For the revenue sharing with TV station, it is similar to time sharing contract. However, for revenue sharing, the Company and TV station will jointly sell the advertising. The revenue from advertising will be shared based on the agreed proportion. The Company and TV station will determine the same advertising 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 camera in filming. All camera is 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 divided 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.

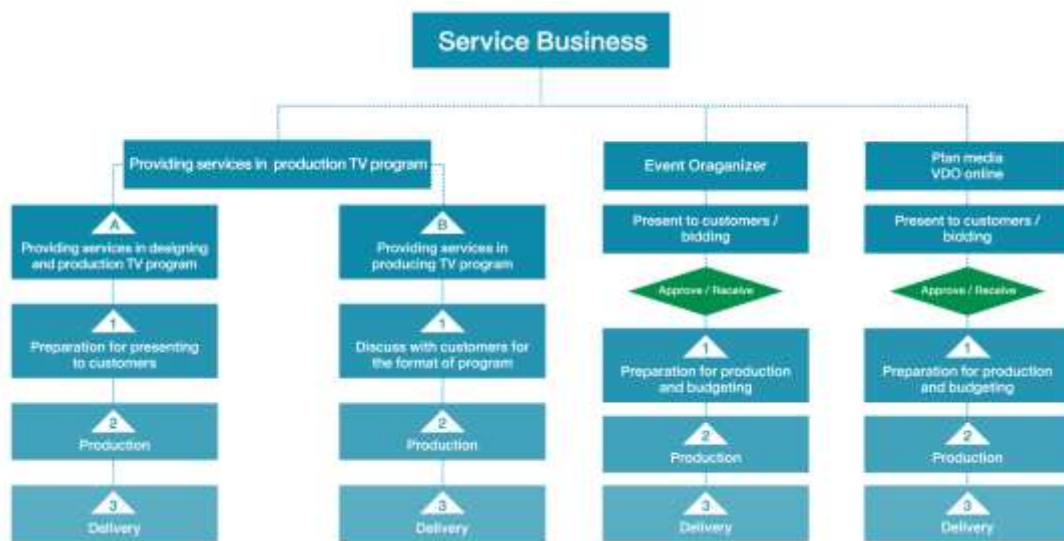
### 3.3 3.3 Customer Agreed to Purchase Advertising

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 broadcast. the Company will summarize the details of advertising in each episode 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 if 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.

### 3) VDO Online Media Production and Planning

Since 2017, the Company has expanded the business to produce content for broadcasting as online media in all platforms including YouTube , Facebook , AIS Play , Line TV to satisfy the change in behavior of audiences and technology.

After expanding to produce content and broadcast as online media, the Company can increase the rating and subscribers / followers consistently. The online media can be divided into 4 medias as follows.

#### 1) YouTube

This is the global leading online video platform that people can upload video and live streaming contents. The Company has used the name on YouTube as “TV Thunder Official”. The Company has broadcasted the re-run programs and re-edited programs. The Company receives the advertising revenue sharing from YouTube based on the agreement.

In 2018, there are more than 1 million subscribers of TV Thunder Official on YouTube and the Company has been rewarded by Gold Play Butter from YouTube.

#### 2) Facebook

This is a global leading online social network. The Page of the Company on Facebook named “TV Thunder”. The Company has broadcasted video clip and PR news from the Company on the feed of Facebook. Moreover, there are Pages of Programs produced by the Company e.g. Take Me Out Thailand with the follower more than 7.8 million people, Master Key Vetee-Chang-Kerd, The Price Is Right, Together with Me, Sanaha Story, etc. The revenues of the Company from Facebook are in form of selling space in feed to customers directly and advertising revenue sharing from Facebook based on the agreement. Facebook Page of the Company on Facebook is popular as much as other channels.

#### 3) AIS PLAY

This is a Video on Demand platform with variety contents that customers can see the live program, or they can choose to see anytime and anywhere upon demand. This is under the AIS network available both mobile and fixed. The contents include both local and international contents that are broadcasted exclusively for AIS customers on AIS PLAY.

The revenues of the Company from AIS PLAY are in from of content production. In 2018, the Company was hired to produce Take me Out Reality Program and Sanaha Story Series for AIS PLAY which became very popular.



#### 4) LINE TV

LINE TV is online video platform with variety contents in form of premium and exclusive. Customers can choose to see the live program or choose to see anytime and anywhere upon demand.

The revenues of the Company from LINE TV are in form of content production. In 2018, the Company was hired to produce Dance Dance Dance Thailand Program, Together With Me The Next Chapter and Take Guy Out Program which became very popular.

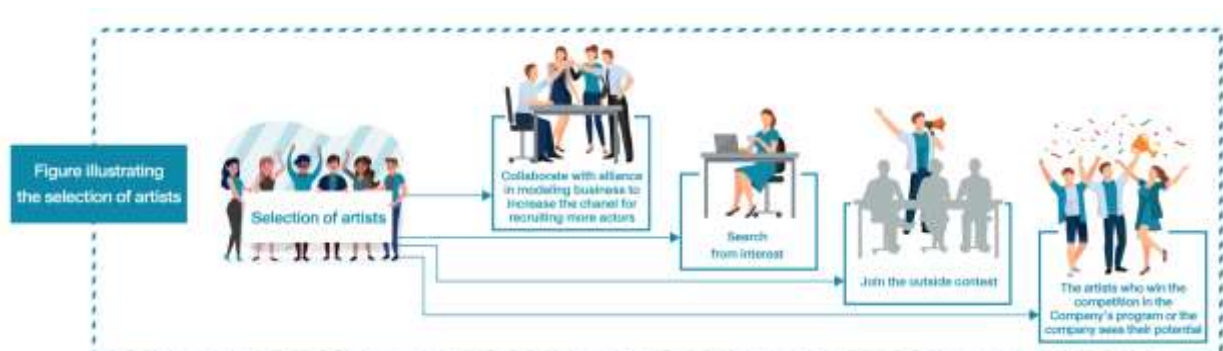
### 2.4 Artist Management Business

#### 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 are 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 recruit artists from own television show which the winner of the show will be the company's artists

#### Artist Recruitment Process





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.

## 2.5 Printing Business

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, 3) Revenue from artist management, and 4) Revenue from sale of pocket books and cosmetics during 2016-2018 as follows.

Amount : Million Baht

Revenue Structure	Consolidated Financial Statement (Audited)					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from advertising	307.24	59.52%	224.46	51.90%	202.72	38.53%
Revenue from rendering of services	198.69	38.49%	200.71	46.41%	316.63	60.18%
Revenue from artist management	1.62	0.31%	3.63	0.84%	3.61	0.69%
Revenue from sale of goods	0.02	0.00%	0.15	0.03%	-	-
<b>Total</b>	<b>507.57</b>	<b>98.33%</b>	<b>428.95</b>	<b>99.18%</b>	<b>522.96</b>	<b>99.40%</b>
Other revenues	8.63	1.67%	3.53	0.82%	3.16	0.60%
<b>Total Revenues</b>	<b>516.20</b>	<b>100.00%</b>	<b>432.48</b>	<b>100.00%</b>	<b>526.12</b>	<b>100.00%</b>

Source: information from the Company as of December 31, 2018

## Risk Factors

The Board of Directors of the Company has been aware of the importance of risk management and effective systematic risk control. The Board of Directors has developed the written guideline for structure and policy in risk management. The main purpose is to present and manage risks as well as determined the guideline that is consistent to the good governance principle.

The risk management is one process that the Company and subsidiaries have focuses in management to achieve sustainable growth. The objective is to integrate business risk management into all levels of management.

Therefore, the risk management committee has followed up the risk management plan so that all risks can be effectively managed and controlled to be in the acceptable level based on the risk management policy of the Company. Moreover, the risk management policy has been reviewed consistently.

In 2018, the Company has improved its business management, internal control, and risk management. The risk assessment has been done for all processes and the result of assessment in Risk-Control Matrix has been used to develop the risk management plan at entity-level and process-level to control all process systematically. Moreover, there is a system to recode the actual loss data used in reviewing the risk management plan. There is also a monitoring system to compare the actual performance with the plan and risk indicators on quarterly basis . This can ensure that the current system is sufficient and appropriate to react with risk factors that tend to increase from the risk of industry and the risk of business of the Company directly.

For risk oversight, the risk management is separated based on the good governance principle. The risk management committee can work independently from the management team in considering and monitoring risk exposure and portfolio views of risk from continuously and consistently under the acceptable criteria.

The important risk factors can be summarized as follows.

### **Strategic Risk**

The vision of the Company is To be a leading producer of contents and media that serve customers' needs in various channels in both local and international. In 2018, the Company faced many important risks including the slowdown of industry. The operation is under challenging and it is the Company's opportunity to prepare the systematic improvement to develop proactive strategies and policies appropriate for the technological changes. Moreover, the Company needs to balance between on-air and online markets to effectively utilize the capacity. The Company also needs to adjust the internal structure to support the new technology to create the convergence between old market and new market.

#### **Risk of changing conditions in the industry**

The broadcast of Terrestrial TV in Digital makes a huge change in Thailand television industry. There are 28 TV channels broadcasting in Terrestrial TV in Digital system. Some of them focus on acquiring the contents from others to broadcast whereas some of them focus on producing their own contents and acquiring contents or program formats from abroad.

However, most Digital TV stations face loss during past 2-3 years. The government has the important measures to help Digital TV stations reduce costs like postponing the payment for license fees, allowing to use remaining frequency, providing the financial support to broadcast TV program on satellites. Also, the government helps the private entrepreneurs by reducing the license fees and network rental cost so that they can make the transition and adjust themselves to survive. This also help in reducing risk in terminating the broadcast and return the license like the past. With lower operating expenses, the entrepreneurs will have more funds to invest in programs.

The Company has realized about this risk and closely monitored the situations of Digital TV stations. If there are abnormal things, they can be resolved promptly.

#### **Risk of changing in advertising industry and popularity of other advertising medias.**

In previous year, the TV media is the most influencing media for consumers to make decision in purchasing goods and services. The advertising spending in TV is still in high proportion compared to other medias because TV media can reach wide range of target audiences for any gender, any age, or any class without limitation of technology that requires devices and internet to access. Then, it can create awareness to consumers countrywide quickly. However, the businesses are more careful to spend their advertising budgets because of uncertainty in economic condition. Moreover, there are more choices of advertising making some TV stations face loss and cannot earn revenues from advertising sufficiently to survive.

The Company has realized to this risk and reduced the impact of risk by determining operating plan and business strategies that are consistent with policies and vision of the Company as 1) Improve the quality and attractiveness of the program to be more competitive, 2) maintain and expand customer base to earn stable revenues by satisfying customers' needs for both direct customers who purchase advertising and indirect customers who are audiences of the programs, 3) expand the business line by increasing the proportion of TV program



production as well as artist management that will be developed further, 4) search for opportunities to produce contents in other medias e.g. online media. The Company has believed that the mix of different operation can help reducing risk.

#### **Risk of Online Business**

People tend to use broadband internet more including 3G and 4G network. The 5G technology is coming that help mobile phone operators increase the speed and coverage areas. This results in an increase of using smart devices. With this digital technology, the entrepreneurs need to adapt with the change in technology. One of the outstanding changes is the change in television and media industry that the rapid change during past 1-2 years from Over the Top or OTT services.

To prevent and mitigate this risk, the Company has closely monitored the trend of online business and try to increase revenues from online business as well as prepare to support 5G technology to connect and integrate with the existing business.

#### **Risk of new entrants**

The rapid change in technology and higher accessibility to the Internet makes the scope of business change. In the past, there are a few numbers of content producers in the narrow group. Nowadays, there are a lot of content producers in wide varieties in both local and international. The competition becomes more intensive because the customers, TV stations, and advertising agencies have more choices.

The Company has realized to this risk and reduced the impact of risk by improving the quality of the programs to be more attractive to maintain customers. Moreover, the Company focuses on updating and adjusting the format of the programs. The Company also looks for new programs and improve to produce the contents from foreign customers to increase revenues of the Company.

In 2018, the Company has assessed the risks and prepared for expand business to aboard by searching for privileges in investment, legal restriction, payment, format of agreement to reduce risks from accepting jobs from foreign customers.

#### **Operational Risk**

The rapid change in technology also makes the global economy change significantly as well as people's life. Therefore, the Company needs to update the business plan and strategies following this rapid change to be more competitive.

The disruptive technology including artificial intelligence (AI) that can act like human and the communication between one device with other devices in form of Internet of things (IoT). Moreover, it also includes the use of cloud computing and big data management.

These factors make the Company adjust to the new business model e.g. producing contents and media in new format beside traditional formats or using convergence media for new business opportunities. These changes are the result of emerging risk or new risk.

#### **Risk of changing technology**

The important factor affecting the business of the Company in previous year is technology. The rapid change in technology especially the emerging of “Over the Top (OTT)” like YouTube or Netflix that you can see Hollywood movies via the internet on your computers, mobile phones, or TV boxes. Moreover, the use of mobile devices to see the programs become more popular whereas watching programs on TV screen tends to decrease significantly.

This risk factor can be both opportunities and threats for the Company, During past 2-3 years, the Company has adjusted the programs to be appropriate to these new platforms to generate more revenues from this change.

#### **Risk of dependency on main personnel**

The top executives of the Company are the founders of the Company who are the main personnel. The business of the Company needs experience, skill, and creditability and well-known in the industry and related parties.

The Company has realized the importance of this impact. The Board of Directors has prepared the succession by developing the succession plan for top executives and executives in important positions. The succession plan has been improved continuously and the Company tries to increase the proportion of executives from new generation by assigning works and responsibility appropriately. This is to maintain the knowledge and skills in problem solving within the Company and encourage the knowledge and skill transfer to the next generation.

#### **Risk that major shareholders can influence the Company**

The major shareholders of the Company are Wannapinyo Family. Therefore, the Company and/or shareholders can face risk that the major shareholders can influence the policy into any specific direction because they hold more than half of outstanding shares, except some activities that the law and regulation require the supporting votes more than three-fourth of total paid-up capital.

However, the Company has audit committee composed of 3 independent directors from total 8 directors. Each audit committee is the expert with well-known and socially acceptable. The audit committee perform their duties as determined by the Board of Directors in accordance with the Notification of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee B.E. 2551 and the qualification is consistent with No. 16 of the Notification of Notification of the Capital Market Supervisory Board No. TorChor. 28/2551. This can help to balance the power and ensure the effective auditing as well as create transparency in managing the business. Moreover, the Company has hired Dharmniti Internal Audit Co., Ltd. to work in internal audit which is independent from management team and report directly to the audit committee. Moreover, the Board of Directors has concerned about good governance by strictly and consistently following the good governance principle. Therefore, the Company can ensure that all shareholders and stakeholders will be treated fairly and equally.

## Financial Risk

### **Risk from volatility of exchange rate**

The Company has expenses in foreign currency. In 2018, the Company has paid the copyright fees and equipment in foreign currency for 4.70% of total production costs.

The Company needs to pay the copyright fees in foreign currency like US Dollar or Euro because the Company has imported the contents from abroad. The Company has realized and monitors the risk from exchange rate carefully.

### **Risk of default debtors**

The Company has determined the policy to present risk from default debtors by closely following up. Mostly the Company can collect from debtors as schedule. If there is any default, the Company will work closely to effectively resolve the problem.

## Compliance Risk

### **Risk of violating the copyrights**

In producing the program, the Company has risks in asking permission to use copyright contents e.g. songs. Sometimes, there are many people claiming as the owner of copyrights. Once the cases are in the legal process, the Company cannot use such songs in the program whereas the Company still has the obligations to pay for copyright fees. Otherwise, the Company may be charged for penalty if the Company cannot process it correctly.

In this process, the Company has the mechanism to register the songs that are allowed to use in the central database. Moreover, the Company is careful in searching for the true owner of copyrights and hires the legal advisor to take care this issue.

## **Assets Used in Business**

### **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, 2018, the Company and subsidiaries had fixed assets as follows.

#### **Land**

Items/ Location	Ownership	Book Value at the End of the Year 2018 (Baht)	Obligation
Title Deed No. 16992 and 16993 located in Wang Thonglang, Bangkok with the area of 0-1-37.9 Rai	The Company	159,972,199.50	Under mortgage with one financial institution for



Title Deed No. 33980 and 33981 located in Wang Thonglang, Bangkok with the area of 0-2-80 Rai	The Company		promissory notes of 20 million baht and overdraft (OD) of 17 million baht
Title Deed No. 34117, 34118, 34127 and 34128 located in Wang Thonglang, Bangkok with the area of 0-2-70 Rai	The Company		
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 2018 (Baht)	Obligation
Office Building located at 1213/309-310, 429, and 527/12 Soi Ladprao 94 (Panjamitr) Srivara Road, Plubpla, Wang Thonglang, Bangkok	The Company	229,984,333,08	Under mortgage with one financial institution for promissory notes of 20 million baht and overdraft (OD) of 17 million baht

### Equipment and Other Fixed Assets

Item	Ownership	Book Value at the End of the Year 2018 (Baht)
Land and Building Improvement	The Company	9,189,291.76
Automobile	The Company and CMED	5,008,989.95
Office Equipment	The Company, CMED, EM, and BB	5,874,755.34
Furniture and Fixtures	The Company and BB	1,248,294.48
Equipment for TV Production	The Company and BB	878,223.46
Computer	The Company, CMED, and BB	1,130,300.04
<b>Total</b>		<b>23,329,855.03</b>

The Company has constructed 3 new studios on the land area of 8 rai. 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 including the existing 2 studios, the Company currently has 5 studios with the size ranged from 106 sq.m. to 2,307 sq.m. There are 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 allow 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 allow 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

### Property Investment

As of December 31, , 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.

## Intangible Assets

As of December 31, 2018, the Company has intangible assets of 7,602,207.74 baht. The intangible assets include computer software and goodwill.

### 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 formats 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 plans to expand its business as well as future investment to invest in online entertainment business and entertainment media production. This should also increase the competitiveness of the Company as well as liquidity and working capital. This can also support the Company to have strong capital for future investment. This future investment plan will generate more revenues that will generate benefits to the Company and shareholders.

### Legal Dispute

- None -

### General Information and Other Important Information

#### General Information

TV Thunder Public Company Limited has the symbol in the Stock Exchange of Thailand as "TVT". The main business is the producer is TV program and entertainment program. It was established on November 30, 1992 with an initial registered capital of 1,000,000 baht. The Company has transformed into the public company on December 2, 2014.

As of December 31, 2018, the Company has the registered capital of 250,000,000 baht in form of 1,000,000 ordinary shares with par value of 0.25 baht. The paid-up shares are 800,030,075 shares with total capital 200,007,518.75 baht.

The business line of the Company can be categorized into 5 groups 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, 3 ) Artist Management, 4 ) Production and Distribution of pocket books and advertising media, 5) Production and Distribution of cosmetics by Meraya Co., Ltd.

The head office is located at

1213/309-310 Ladprao 94 (Panjamitr)

Sriwara Road, Wangthonglang, Wangthonglang, Bangkok 10310

Telephone +66 2559 0022 Fax +66 02559 3609

Website : [www.tvthunder.co.th](http://www.tvthunder.co.th)

## Other Important Information

<b>Company Registrar</b>	:	Thailand Securities Depository Co., Ltd.  93, 14 <sup>th</sup> floor, Ratchadaphisek Road, Dindaeng, Bangkok 10400  Telephone +66 2009 9000 Fax +66 2009 9991  SET Contact center : +66 2009 9999  Website : <a href="http://www.set.or.th/tsd">http://www.set.or.th/tsd</a>
<b>Auditor</b>	:	Miss Suvimol Krittayakien  Certified Public Accountant (Thailand) No. 2982  DIA International Audit Co., Ltd.  316/32 Soi Sukhumvit 22, Sukhumvit Road  Klong Toei, Klong Toei, Bangkok 10110  Telephone +66 2259 5300 Fax +66 2260 1553
<b>Legal Advisor</b>	:	CMT Counsellor Company Limited  75 Soi Phueang Mi 11, Sukhumvit Road  Bang Chak, Phar Khanong, Bangkok 10260  Telephone +668 1836 7236

## Information about Securities and Security Holders

### Registered Capital and Paid-up Capital

As of December 31, 2018, 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 800,030,075 shares with total value of 200,007,518.75 baht.

### List of Shareholders

The list of major shareholders is as follows. (as of March 11, 2019)

No.	Name	No. of Shares	Proportion (%)
1	Mrs. Patraporn Wannapinyo	193,069,000	24.13
2	Mr. Sompong Wannapinyo	142,837,700	17.85
3	Mr. Natakrit Wannapinyo	90,145,600	11.27
4	Ms. Napat Wannapinyo	46,530,800	5.82
5	Mr. Taweechat Julangkul	38,437,800	4.80
6	Mr. Poonrit Praneepachachon	15,035,000	1.88
7	Mr. Surapan Pattanapitoon	14,902,600	1.86
8	Mr. Wasin Wuthimanon	14,505,300	1.81
9	Ms. Pornchanok Yuwittaya	13,989,500	1.75
10	Thai NVDR Co., Ltd.	11,430,110	1.43
<b>Total</b>		<b>587,569,100</b>	<b>72.61</b>

Source : Thailand Securities Depository Co., Ltd.

### 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.

On May 16, 2018 which is the last exercise date, the warrant holders exercised the rights for TVT-Q1 for 30,075 units.

### 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.

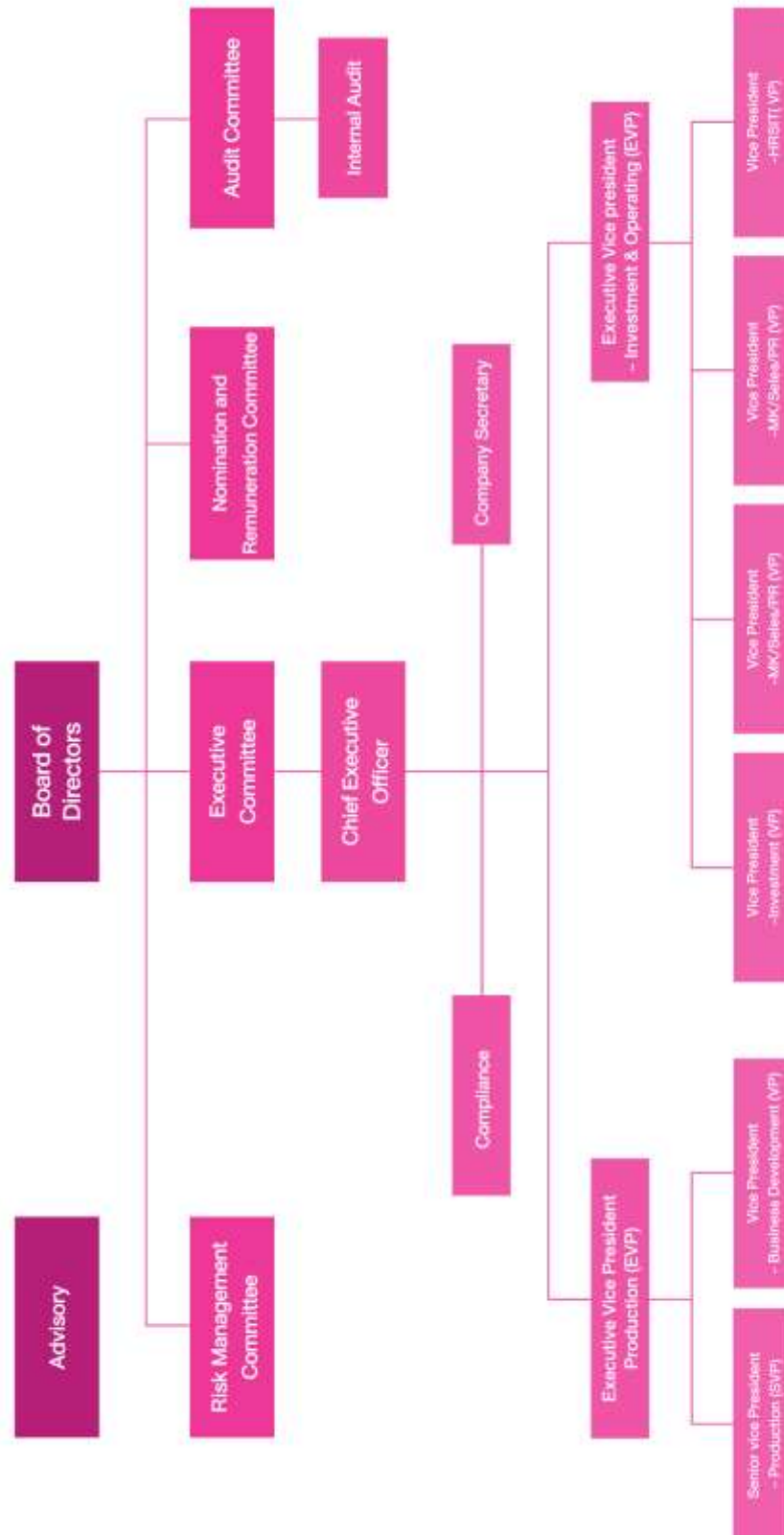
Dividend Payment Information	2015	2016	2017
1. Unappropriated Retained Earnings*	71,515,651	33,551,296	45,319,376
2. Net Profit**	42,035,645	47,768,080	14,692,764
3. Number of Share	800,000,000	800,000,000	800,000,000
4. Dividend per Share			No Dividend Payment
- From Retained Earnings*	0.05	-	-
- From Net Profit**	0.05	0.045	-
5. Total Dividend Payment	80,000,000	36,000,000	-
6. Dividend Payout Ratio			
- From Retained Earnings*	56%	-	-
- From Net Profit**	95%	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



## Management Structure



There are 5 sets of committees which are the Board of Directors, Audit Committee, Executive Committee, Risk Management Committee and Nomination and Remuneration Committee

The Compensation is as follows.

### Board of Directors

As of December 31, 2018, 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 2018 held on April 27, 2018 has the resolution to re-elect Mr. Phusit Laithong, Mr. Pirath Yensudjai and Mr. Natakrit Wannapinyo 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 SET'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 SET.
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, 2018, 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. Gallayanee	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 as well as remove such persons 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 Socatyanurak and Assoc. Prof. Dr. Gallayanee Parkatt

### Executive Committee

As of December 31, 2018, 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.

However, the Board of Directors has clearly separated roles and responsibilities of directors and executives.

#### Roles and Responsibilities of Chief Executive Officer

1. Control business operation, set strategies, and manage day-to-day activities of the Company
2. Make decisions in important issues, determine mission, objective, guideline, and policies of the Company including control of each division.
3. Have authority to command and to signing any contract, order, notification as specified in the manual of operation.

4. Have authority to hire, appoint, and relocate employees as deemed appropriate, determine roles and responsibilities as well as appropriate compensation, remove any employee from the position as deemed appropriate as specified in the manual of operation.
5. Have authority to determine the term of trade for benefits of the Company
6. Consider the investment in new businesses or dissolve some businesses and propose to the Executive Committee and/or the Board of Directors
7. Approve and appoint the consultants as deemed necessary
8. Act as assigned by Executive Committee and/or the Board of Directors

### Risk Management Committee

As of December 31, 2018, 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 Laithong	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, 2018, 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 nominees 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, 2018

	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 ( $\frac{3}{4}$ ) 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.**

TV Thunder Public Company Limited has determined the definition of independent director to meet the criteria of the Office of Securities and Exchange Commission or the Stock Exchange of Thailand regarding to shareholding in the Company, or not being employee or advisor with regular salary or not having control over the Company including business relationship as follows.

1. 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
2. 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.
3. 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.
4. 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.



5. 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.
6. 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.
7. The person is not the director appointed as the representative or the company, major shareholder or any shareholder connected to major shareholder.
8. 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.
9. The person does not have characteristic that make him unable to provide opinion about the operation of the Company independently.

#### **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 executive of the Company appointed by the Board of Directors. The number of members 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 executive of the Company appointed by the Board of Directors. The number of members 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 Directors**

Name-Surname	Title	Term of Office
Assoc.Prof.Dr. Montri Socratyanurak	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 Board of Directors has set up the meeting schedule in advance for the whole year and inform all directors at the beginning of year to plan and prepare for the meeting.

Moreover, the Board of Directors has supported non-executive directors, independent directors, and audit committee to hold the independent meeting as deemed necessary to discuss on issues without any executive to attend. In 2018, there is 1 meeting for discussion without any executive to attend.

The record of meeting attendance in 2018 is as follows.

Name	Title	Executive Committee	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee
Assoc.Prof.Dr. Montri Socratyanurak	Chairman / Independent Director		7/7	5/5		1/1
Ms. Patraporn Wannapinyo	Vice Chairman	17/17	7/7			1/1
Mr. Sompong Wannapinyo	Director / Chairman of Advisory Board		7/7			
Mr. Phusit Laithong	Director	16/17	7/7		2/2	
Mr. Pirath Yensudjai	Director	17/17	6/7		2/2	
Mr. Natakrit Wannapinyo	Director	17/17	6/7			
Mr. Sudhitham Chirathivat	Director / Independent Director		7/7	5/5	2/2	1/1
Assoc.Prof.Dr. Gallayanee Parkatt	Director / Independent Director		7/7	5/5	2/2	

Note: The 2018 Annual General Meeting of Shareholders held on April 25, 2018 has the resolution to re-elect Mr. Phusit Laithong, Mr. Pirath Yensudjai and Mr. Natakrit Wannapinyo and Assoc.Prof.Dr. Gallayanee Parkatt for another term.

## Remuneration of the Company's Directors and Executives

### Monetary Remuneration

#### a. Remuneration of Directors

The Annual General Meeting of Shareholders No. 1/2018 on April 27, 2018 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)
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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 2018, total remuneration of directors is 1,065,000.00 baht (One Million and Sixty-Five Thousand Baht) which is less than the approved amount of 2,000,000 baht.

(Unit : Baht)

Name	Director			Audit Committee		
	2016	2017	2018	2016	2017	2018
1. Mr. Sompong Wannapinyo	-	-	-	-	-	-
2. Ms. Patraporn Wannapinyo	-	-	-	-	-	-
3. Mr. Phusit Laithong	-	-	-	-	-	-
4. Mr. Pirath Yensudjai	-	-	-	-	-	-
5. Mr. Natakrit Wannapinyo	-	-	-	-	-	-
6. Assoc.Prof.Dr. Montri Socratyanurak	120,000	240,000	260,000	80,000	80,000	100,000
7. Mr. Sudhitham Chirathivat	90,000	195,000	225,000	60,000	45,000	75,000
8. Assoc.Prof.Dr. Gallayanee Parkatt	90,000	210,000	225,000	60,000	60,000	75,000
Total	300,000	645,000	710,000	200,000	185,000	250,000

Name	Risk Management Committee			Nomination and Remuneration Committee		
	2016	2017	2018	2016	2017	2018
1. Mr. Sompong Wannapinyo	-	-	-	-	-	-
2. Ms. Patraporn Wannapinyo	-	-	-	-	-	-
3. Mr. Phusit Laithong	-	-	-	-	-	-
4. Mr. Pirath Yensudjai	-	-	-	-	-	-
5. Mr. Natakrit Wannapinyo	-	-	-	-	-	-



6. Assoc.Prof.Dr. Montri Socratyanurak	-	-	-	40,000	20,000	20,000
7. Mr. Sudhitham Chirathivat	20,000	40,000	40,000	30,000	15,000	15,000
8. Assoc.Prof.Dr. Gallayanee Parkatt	15,000	30,000	30,000	-	-	-
<b>Total</b>	<b>35,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>	<b>35,000</b>	<b>35,000</b>

**b. Remunerations of Executives of the Company and Subsidiaries**

Remuneration	2016		2017		2018	
	Number (People)	Number (Baht)	Number (People)	Number (Baht)	Number (People)	Number (Baht)
Salary and bonus	10	26,068,000	13	26,984,378	14	28,475,176
Provident fund	8	1,639,800	11	1,692,912	11	1,724,364
Others	10	4,301,382	13	5,072,589	13	5,339,160
<b>Total</b>		<b>32,009,182</b>		<b>33,749,879</b>		<b>35,538,700</b>

- 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. Pirath Yensudjai, Ms. Napat Wannapinyo, and Mr. Natakrit Wannapinyo who got the remuneration as the executives of the Company and subsidiaries
  - The remuneration in form of salary of Mr. Sompong Wannapinyo included the monthly compensation for the title of the Chairman of the Advisory Board

**Other Remunerations**

- None –

**Personnel**

As of December 31, 2018, the personnel of the Company consist of 135 persons with the following details

Department	Year 2018
Executive Level	8
Investment and Finance Division	4
Marketing and Selling Division	29
Administrative Division	11
Business Development Division	4
Production Division	7
<b>Total</b>	<b>72</b>
<b>Executive Level</b>	<b>135</b>

## 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. In the year 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 2018, the Company continue to arrange TVT Talk.
- In 2018, the Company has arranged the internal training for 7 programs with the average training hour at 6 hours per employee 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 2018, the Company sent employees for outside training in 8 courses with 19 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.

### Significant Change of Number of Employees During Past 3 Years

- None

### Important Legal Dispute in Labor During Past 3 Years

- None

### Employee Compensation and Welfare

The Company has determined the policy and guideline about compensation and welfare as follows.

#### 1. Salary and Bonus

The Company has the policy to pay appropriate and fair compensation based on knowledge, ability and performance of each employee. The compensation should also be in line with other companies in the same industry. The compensation of employees must be appropriate for business expansion and growth. The compensation of employees is based on the performance measured by key performance index (KPI). The annual salary increases, and bonus payment is based on KPI of employees as well as the performance evaluation from the human resource division and the performance of the Company.

#### 2. Other Compensations

Including provident fund to support employees in long-term. The contribution rate of the Company to the provident fund equal to the contribution rate of employees.

#### 3. Welfare

In addition to providing welfare for employees as required by law, the Company has provided additional benefits like life insurance, health insurance and accident insurance, annual health check-up, and other welfare benefits such as support for marriages, for ordination, for death, etc. This is to create morale and strengthen confidence in working with the Company.

### Corporate Governance

#### 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 2018, the Company has got the full score of 100 or excellent 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).

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

## 1. Rights of Shareholders

The Board of Directors 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 2018 Annual General Meeting of Shareholders.

- 1) The Company has published the agenda of shareholder meeting in the Company website ([www.tvthunder.co.th](http://www.tvthunder.co.th)) before delivering the invitation letter to shareholders at least 21 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](mailto: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 Annual General Meeting of Shareholders 2018 was held on April 27, 2018 at Thunder Studio (Town in Town), 429 Soi Phraya Prasert School, Plubpla, Wang Thonglang, Bangkok 10310. The directors who have attended the meeting are the Chairman of the Board of Director, the Chairman of Audit Committee, the Chairman of Nomination and Remuneration Committee, the Chairman of Risk Management Committee, the Chairman of Executive Committee, Chief Executive Officer, independent directors and sub-committee which are 87.5%. All executives have attended the meeting.

In the Annual General Meeting of Shareholders 2018, 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 the Annual General

Meeting of Shareholders 2018. 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 within 3 working days after changing.

## 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, claim for any infringement, communicate, or suggest to the Board of Directors via independent directors or Audit Committee or Company Secretary 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.

### 3.1 Policy on No Infringement of Intellectual Property or Copyright

The Board of Directors has realized for the importance of intellectual property or copyright. Therefore, the policies and guidelines to comply with laws related to intellectual property or copyright has been determined with the following guidelines

1. Create awareness to all directors, executives, and employees to comply with laws related to intellectual property or copyright e.g. laws about trademark, laws about patent, laws about copyright, or other related laws.
2. All employees are prohibited from doing anything that is a violation of intellectual property or copyright of another person.
3. Respect in intellectual property of others and the Company needs to get permission from the owner of intellectual property or copyright before using it
4. All contents or information belonging to external persons should be inspected to ensure that there is no infringement of intellectual property and copyright.
5. All computers of the Company need to use software under the permission of the owner of copyright and only get permission to use from the Company only to prevent the infringement of intellectual property and copyright of another person.
6. All computer programs need to be inspected by information technology department and use only programs with valid copyright. If the Company finds any improper action, it will be considered to be disciplinary offense.
7. If there are any content and intellectual property or copyright results from the normal work assigned by the Company and all works used for the Company, that content and intellectual property will belong to the Company. Any employee needs to deliver to the Company regardless of such content, work, or copyright is stored in any form.
8. The company encourage employees to attend the training about legal aspects of Computer Crime Act BE 2550 and Intellectual Property Laws.

#### ■ Contact Channel used for Complaint of Copyright Infringement

Any stakeholder can provide any opinion, suggestion, or other complaints that is not about corruption with the following contacts.

Contact	E-mail	Telephone Number
The Board of Directors	directors@tvthunder.co.th	-
Audit Committee	auditcommittee@tvthunder.co.th	-
Company Secretary	secretary@tvthunder.co.th	0 2559 0022 ext. 155
Investor Relation	ir@tvthunder.co.th	0 2559 0022 ext. 163
Postal Address		
TV Thunder Public Company Limited 1213/309-10 Soi Ladprao 94 (Panjamitr) Srivara Road, Plubpla, Wang Thonglang, Bangkok 10310		
The Company Secretary is responsible for receiving all documents sent to the Board of Directors and submitting to the related sub-committee or directors. The Company Secretary will summarize all suggestions and issues in order to propose to the Board of Directors on a quarterly basis except for documents submitted to the Audit Committee will be sent directly to the Audit Committee		

### 3.2 Whistle Blowing Policy

The Company has provided channels for receiving complaints from both outside and inside the Company. Moreover, the Company has established the complaint handling system as well as the protection and confidentiality of the complainant as follows.

#### 1. Complaint

The company has provided channels for receiving complaints in cases of suspicion of illegal actions or fraudulent behavior or conducting business ethics offenses in the following channels

##### ■ Send the letter to

Chairman of Audit Committee  
TV Thunder Public Company Limited  
1213/309-10 Soi Ladprao 94 (Panjamitr) Srivara Road,  
Plubpla, Wang Thonglang, Bangkok 10310

#### 2. Complaint Handling

When the company has received complaints, the Audit Committee will appoint a working team to collect data, process, inspect and determine measures to reduce damage for those who are affected regarding to the total damages suffered. Thereafter, the responsible person will monitor and report the results to the recipient of complaint as well as report to the Chief Executive Officer, Chairman of Executive Committee, Audit Committee, and the Board of Directors respectively.

#### 3. Protection Measures

To protect the rights of whistleblowers / complainant or those who cooperate in the investigation, the Company will not disclose the name, address, picture or any other information of the whistleblower /

complainant or those who cooperate in the investigation. Moreover, the Company has determined the protection measures if the person considers to be unsafe or damaged. However, those who suffer damage will receive relief through appropriate and fair procedures.

#### 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

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](http://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](mailto:ir@tvthunder.co.th) or Tel. 0-2559-0222 ext. 163.

##### 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](mailto: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

The Board of Directors arranges the Annual Board Self-Assessment for both the whole board and individual. This can be a framework for monitoring the performance of the Board of Directors Including reviewing comments on various issues related to the operation of the Company and the performance of the Board of Directors during the past year. The assessment results will be sent to the company secretary to summarize and present to the Board of Directors meeting to improve work efficiency.

The criteria in Board Self-Assessment is as follows.

Grade	Point (%)
Grade A - Excellent	85 – 100 %
Grade B - Good	70 – 84 %
Grade C - Moderate	55 – 69 %

Grade D – Need Improvement	0 – 54 %
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The results of Board Self-Assessment in 2018 are as follows.

	The Whole Board	Individual
<b>Assessment</b>	1. Structure and Qualification of the Board of Directors	1. Ethics and Performance of Director
	2. Roles, Duties, and Responsibilities of the Board of Directors	2. Strategy Formulation, Supervision, and Monitoring
	3. Meeting and Duties of Directors	3. Responsibilities to Stakeholders
	4. Relationship with Executives	
	5. Self-Development of Directors and Development of Executives.	
<b>Average</b>	<b>90.57 %</b>	<b>93.99 %</b>

#### Evaluation of Chief Executive Officer

The Board of Directors has assigned the directors who are not in executive positions will be responsible to assess the performance of Chief Executive Officer in 2018. This assessment is used for compensation plan. The Chairman of the Board of Director will be responsible to inform the assessment result and any suggestion to Chief Executive Officer for further improvement.

The criteria of assessment are in percentage in each topic as follows.

Grade	Point (%)
Grade A - Excellent	85 – 100 %
Grade B - Good	70 – 84 %
Grade C - Moderate	55 – 69 %
Grade D – Need Improvement	0 – 54 %

In 2018, the assessment result of Chief Executive Officer is in Grade B or “Good” with the average score of 81.25%.

#### Development of Directors and Executives

##### 1) Training for Directors and Executives

The Board of Directors has the policy to promote and facilitate the training and education for directors and executives of the company to continuously improve the performance. The Company encourages directors to participate in seminars and training activities for both internal and external. All directors should attend the training in order to understand the duties of directors. The Board of Directors and the top executives of the Company give importance to attend various trainings or seminars as well as to develop knowledge and ability. The Board of Directors has passed the training course with the Thai Institute of Directors (IOD) like Director Certification Program (DCP) and Director Accreditation Program (DAP) (As in Appendix 1 : Information of Executives)



In 2018, the directors and executives have attended the trainings as follows.

Name	Title	Training Program
Mrs. Patraporn Wannapinyo	Vice Chairman of the Board of Directors Nomination and Remuneration Committee Chief Executive Officer	1. Advance Master of Management (AMM Batch 1) 2. Top Executive Program in Commerce and Trade (TEPCoT Batch 11)
Mr. Phusit Laithong	Director Risk Management Committee Vice President	Advance Master of Management (AMM Batch 1)
Ms. Naree Wichunakorn	Risk Management Committee Financial Executive Deputy Vice President	From TAS 18 To TFRS Program (BRIDGE OVERTROUBLED WATER)

## 2) Orientation for New Directors

The Board of Directors has determined the guidelines for the Company to arrange the orientation for newly appointed directors. The Company provides documents such as information about the Company, the Manual of Directors for Listed Companies, Good Corporate Governance Principles, Company Code of Conduct, the authority of the Board of Directors, the board meeting schedule for the whole year, etc. Moreover, the Company has arranged the briefing for new directors to understand the business and the duties of the directors and the Board of Directors. The Board of Directors has assigned the Chief Executive Officer and Company Secretary and the Office of Company Secretary to be responsible in arranging the orientation for new directors by holding the meeting with directors and/or executives and/or related employees to clarify and answer the questions. In 2018, there is no new director.

## Succession Plan

The Board of Directors has prepared the succession plan for senior executives and executives in the important positions primarily based on the performance, potential, and readiness. The Company has prepared the person who is a successor in developing the knowledge, ability and skills necessary for the position as well as to prepare for a higher position in the future. This is to inherit the work if senior executives or executives in the important positions has been changed or expired or retired.

## 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 cannot 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 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.

#### **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 need 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.

#### **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.

## Auditor Fees

### 1. Audit Fee

The Company and subsidiaries have paid the audit fee to PricewaterhouseCoopers ABAS Co., Ltd., in 2016-2017 and to DIA International Auditing Co., Ltd. in 2018 as follows.

Item	2016	2017	2018
TV Thunder Public Company Limited	1,796,000	1,796,000	1,350,000
Subsidiaries	1,315,600	1,315,600	930,000
<b>Total</b>	<b>3,111,600</b>	<b>3,111,600</b>	<b>2,280,000</b>

### 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 86,191 baht in 2016, the amount of 217,801 baht in 2017 to PricewaterhouseCoopers ABAS Co., Ltd., and the amount of 82,200 baht in 2018 to DIA International Auditing Co., Ltd.

## 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. The Board of Directors has determined the policy about the conflicts of interest as follows.

1. Directors, executives or employees are prohibited from using the opportunity from being directors, executives or employees of the company to seek personal benefits.
2. Directors, executives or employees are prohibited from conducting any business that competes with the company
3. Avoid making transactions related to oneself that may cause conflicts of interest with the company.
4. Directors, executives or employees who have an interest in the transaction must not be involved in the approval process.
5. In the case that it is considered to be the connected transaction under the Notification of the Stock Exchange of Thailand, the Board of Directors will ensure that there is strict compliance with the rules, procedures and disclosure of connected transactions of listed companies.

### Anti-Corruption

The company has the formal anti-corruption policy that is reviewed and approved by the Board of Directors. The Company prohibits the directors, executives and employees at all levels or persons related to business of the company to involve in all forms of corruption. To performance any business transaction must comply with the rules and laws related to the operation of the Company. The summary of the policy is as follows.

#### ■ Anti-Corruption Policy

The company prohibits the Board of Directors, executives, and employees at all levels to involve in all forms of corruption. They do not take any action that is a bribe and do not accept bribes from stakeholders both directly and indirectly and do not obtain benefits in a wrong way. They must strictly comply with the anti-corruption policy in accordance with the rules and laws related to the operation of the Company.

#### ■ Guidelines for Supervising, Preventing, Monitoring the Risk of Fraud and Corruption

In 2018, the Board of Directors has evaluated the potential risk of fraud and determined the Guidelines for Supervising, Preventing, Monitoring the Risk of Fraud and Corruption as follows.

1. Provide an inspection process to evaluate the internal control system and risk management covering important systems such as sales and marketing, procurement, contracting, budgeting and control, accounting, payment system, etc. in order to prevent and monitor the risk of fraud and corruption Including suggestions for appropriate solutions
2. Provide the channels to receive notification of clues or complaints of violations, Illegal action or business ethics offense of the company and provide the guidelines for preventing the involvement in corruption or suspicions in financial reports or internal control system. The Company has the policy to protect complainants that will be kept confidential Including the measures to inspect and determine disciplinary actions of the company and / or related laws. If the Company can contract the complainant, the Company will inform the result respectively.
3. The head of the relevant department is responsible for monitoring and correcting errors (if any) and reporting to authorized persons respectively.

#### ■ Guidelines for Monitoring and Evaluating the Implementation of Anti-Corruption Policy

The Company has determined the Guidelines for Monitoring and Evaluating the Implementation of Anti-Corruption Policy as follows.

1. Arrange for an internal audit to consult, inspect, evaluate, and monitor the results of internal control system risk management, corporate governance, and report to the Audit Committee about their efficiency and appropriateness
2. Assign the Risk Management Department to review the risk management plan and regularly monitoring and assessing the risk of corruption in order to effectively implement anti-corruption measures, and report to the Audit Committee and the Board of Directors respectively
3. If the investigation finds that Information from investigations or complaints have the evidence to reasonably believe that there is any action with a significant impact on the financial position and the performance of the Company Including violations of the law or business ethics of the Company or guidelines for preventing involvement in corruption or questions in financial reports or internal control system, the Audit Committee will report to the Board of Directors to proceed for correcting actions within the timeframe as Audit Committee deemed appropriate.

#### ■ Training and communication

The Company has communicated anti-corruption policy including related policies such as business ethics, the policy for receiving and giving gifts by communicating policies, guidelines, measures and punishment to the executives and employees in the orientation, training, bulletin board, and website of the company

#### Respect on Human Rights

The Board of Directors had recognized the importance of respecting laws and human rights principles which are fundamental human rights and is a universal moral for the world. All people have equal rights and these



rights cannot be violated though there is a difference in nationality, religion, race, social status, or gender, etc. The Company has respected in human rights of all directors and employees as specified the policy and guideline about the respect of laws and human rights e.g.

- The company does not prevent political expression and the exercise of political rights under the provisions of laws for all employees at all levels
- The executive teams and employees of the company are both female and male, with different religions like Buddhism, Christianity and Islam, which can work together by reconciliation without discrimination. Everyone has the opportunity to be promoted primarily based on performance.
- If the Company organizes the party for employees and shareholders on various occasions, the Company will provide food appropriate to all religion as well as vegetarian people.

#### Fair Treatment of Labor

The Board of Director has realized the value of all employees and has determined the policy for fair treatment of all employees regardless of their positions or levels including fair compensation with good work environment.

In 2018, the Company has the activities in supporting and developing employees as follows.

- a) Annual Health Check-up by arranging the program appropriate to the age of each employee and negotiating with the hospital for special price as well as arranging for the hospital to do health check-up at the office of the Company
- b) Provide welfare including life insurance, health insurance, accident insurance for full-time employees
- c) Provide support for full-time employees such as support for marriage, ordination, death, etc.
- d) Training in various programs that can benefit employees in term of management skills, professional skills, and teamwork
- e) Organize various activities that employees can participate such as merit making activities with Phrabat Nampu Temple, watering activities in Songkran Festival, TVT Joining Run for AED to celebrate 125-year Thai Red Cross, merit making of the Company, etc.

The Company has realized of the importance of safety in life and health of employees as well as related persons. The Company has established the Safety, Occupational Health and Working Environment Committee to monitor the situation of safety, occupational health and working environment of the Company. Moreover, the committee will arrange the training on safety, occupational health and working environment for employees in order to know the safety regulations

In 2018, the Company has activities related to safety and occupational health as follows.

- 1) Exercise for health that employees can do the exercise at the Fitness free of charge
- 2) Vaccination against influenza in 4 types for employees
- 3) Training for safety in workplace. In 2018, there is no injury or sickness from working.
- 4) Training for basic fire extinguisher, fire evacuation, and how to help people stuck in the building on annual basis at the head office and TVT Green Park Studio

In addition, the Company has provided the complaint handling procedure from employees by appointing a complaint committee from employees. There is the procedure and process in considering such complaints fairly and all employees can discuss, give advice, or seek advice from a fair committee.

#### ■ Complaint Handling

1. Fact Collection - The complaints committee will collect the complaint from employees
2. Data Screening and Processing - The Complaint Committee will process the complaint and screen data to consider the appropriate procedure to deal with each complaint
3. Implementation measures - The Complaint Committee proposes the measure to stop any action violating or not complying with the Code of Ethics and propose various policies to the Executive Committee or the Audit Committee to consider respectively. This is to reduce damage to those who are affected by considering total damage suffered
4. Reporting - The complaint committee or the Chairman of the Executive Committee or Chairman of the Audit Committee Or Company Secretary will report to the Board of Directors for acknowledgment and report the results to employees or stakeholders who are the complainants If the complainant discloses himself

#### ■ Protection Measures

1. The complainant or those who cooperate in the investigation can choose not to disclose himself if the disclosure will cause insecurity or any damage
2. In case of self-disclosure, the Company will report the progress
3. For the complainants or those who cooperate in the investigation, the Company will not disclose the name, surname, address, picture or any other information that can identify such person
4. The recipient of the complaint must keep the relevant information confidential and will disclose as necessary regarding to safety and damage of the complainant or those who cooperate in the investigation, source of information, or related persons. However, if there is something that is likely to cause damage or insecurity, the protection measures must be determined appropriately.
5. Those who have suffered damage will receive relief through the appropriate and fair process.

#### **Responsibility on the Consumers**

The Company has produced the drama series in order to promote the value to society like “Luangta Mahachon” that have many good ideas 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.

## ■ Environment Conservation

The Board of Directors has realized the importance of the environment. Most problems arise because employees do not understand. Therefore, the Company has promoted to provide knowledge and trainings to employees. The Company will promote environmental awareness to all employees both directly and indirectly with the following policy and guideline.

## ■ Environmental Policy

1. Do business with integrity, ethics and responsibility to society, community and environment
2. Support and encourage executives and employees of all levels to be responsible for society, community and environment and to have a volunteer spirit without compensation
3. Support and promote activities that create sustainable benefits for society, communities and environment to regularly return to society by organizing the activities that are appropriate and create benefit to society, community and environment
4. Participate in community development and society development in terms of economy, society, community and environment
5. Promote and educate employees at all levels about society and environment and jointly develop and be responsibility to society, community and environment
6. Respect for human rights without discrimination regardless of people with different nationalities, religions and cultures. The company will manage with fairness and support to create sustainable development together.

## ■ Training on Environment

The Company has set the CSR DAY by organizing the training program “Employee Engagement” in the topic of “CSR Engagement” with cooperation with Thaipat Institute. There are 29 employees attending the training which is 90.62% of target group (Supervisor level)

In addition, the company has continuously implemented energy conservation campaigns like to save water to turn off the lights and air conditioner at lunch time. To use 2 sides of paper, to buy environmental-friendly products and to educate employees about how to save energy and environmental management.

The Company has realized the importance of energy conservation. In 2016 – 2018, 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.

## ■ 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 2018, the Company did many activities that are benefit to society with the following details.

1. The Company has inserted morals or contents that are benefits to society and community in the drama "Luangta Mahachon" in every episode to promote society and community to use them in daily life.
2. The Company has supported and co-organized CSR activities for community, society, charity as follows.
  - \* On February 28, 2018, the Company organized the "Saphan Boon" project by inviting executives, employees and people in nearby communities to participate in making merit, donating rice, dried food, and purchasing products from Phra Bat Nam Phu Temple by using garden area of the Company to organize this activity
  - \* On May 26, 2018, the Company organized the "Give good books to the library" project to hand over 600 books to the Library Association of Thailand with the objective of promoting reading habits for children and youth as well as giving the library good books with quality for the general public to read and study. This project is also to participate in social, community and environmental development by the Library Association of Thailand under the patronage of HRH Princess Maha Chakri Sirindhorn who give importance to the development of knowledge in libraries and librarian professions and to be the center of all librarians throughout Thailand to support the operation of the association.
  - \* On July 1, 2018, the Company brought artists to join "off-season offering of robes and other needs to monks to support the fund for poor patients and to purchase medical equipment for Tropical Medicine Hospital, Faculty of Tropical Medicine, Mahidol University" with the purpose to help poor patients who cannot afford to pay for medical expenses and to earn income to purchase medical equipment for the hospital.
  - \* On September 3, 2018, the representatives from the Company received the plaque for the person doing benefits to Social Security Office of the year 2018 from supporting activities with the Social Security Office
  - \* On September 5, 2018, the Company brought the artists to publicize the Mahidol Day and join the donation activities in the area around Siriraj Hospital
  - \* On October 27, 2018, The Company brought the actor from the drama Luangta Mahachon to participate in the activity "Channel 3 volunteer to do good and restore Thai sea"
  - \* On December 1, 2018, the representatives from the Company visited HRH Princess Somsawali Phravararajatinuddamat to receive a royal gift as a sponsor for star artists in the World AIDS Day event.
  - \* On December 9, 2018, the Company brought executives and employees to participate in the activity "TVT invites to Run for AED to celebrate 125-year Red Cross"

#### ■ **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 Dharmniti Internal Audit 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. 4/2018 held on August 8, 2018 and no. 6/2018 held on November 8, 2018 which both directors and audit committee attended the meeting as well as asked the questions from management about the adequate of internal control.

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 improper use 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 2018, 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. 6/2018 held on November 8, 2018, 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.

## Connected Transactions

### The connected transactions with persons who may have conflicts of interest

In 2018, 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. Phusit Laithong	The executive of the company. The current titles are director, executive committee, and vice president	Hired as : Actor / Controller of music and stage performance	160,000
Mr. Jetsada Osatalert	The executive of Big Brain Co., Ltd. (a subsidiary) The current titles are director and managing director.	Hired as : Producer / Director in the program produced by the Company	156,000
Ms. Sirinart Koontorn	The executive of Big Brain Co., Ltd. (a subsidiary) The current title is director.	Hired as : Assistant Director in the program produced by the Company	10,000
<b>Total</b>			<b>326,000</b>

### 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. Montri Socratyanurak Chairman of Audit Committee, Mr. Sudhitham Chirathivat Audit Committee, and Assoc.Prof.Dr. Gallayanee Parkatt 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 2018, the Audit Committee has performed their duties independently. There are 5 meetings in 2018 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 2018. 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 2018 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 2018 for TV Thunder Public Company Limited based on qualification, experience, suitability, and independence of auditor. The committee has proposed Ms. Suvimol Krittayakien Certified Public Accountant (Thailand) No. 2982, Mr. Jumpol Pairattanakorn Certified Public Accountant (Thailand) No. 7645, Ms. Supaporn Mangjitr Public Accountant (Thailand) No. 48125 from DIA International Auditing Co., 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 5 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. Montri Socratyanurak)  
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. Sudhitham Chirathivat Chairman of Audit Committee, Assoc.Prof.Dr. Gallayanee Parkatt, Mr. Phusit Laithong, Ms. Piyaporn Laithong, Ms. Naree Wichunakorn, and Mr. Pirath Yensudjai.

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 2018, the Risk Management Committee had 2 meeting with the following agenda and details.

1. The Risk Management Committee together with the working team and representatives from all departments of the Company jointly develops the risk management plan that will be proposed to the Risk Management Committee to consider and determine the proper risk management plan.

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 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.

4. 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.

5. 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. Sudhitham Chirathivat)

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. Montri Socratyanurak Chairman, Mr. Sudhitham Chirathivat Audit Committee, and Mrs. Patraporn Wannapinyo.

In 2018, The Nomination and Remuneration Committee has 1 meeting 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 for the year 2018.

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 2018 to review the performance and provide the suggestion for improvement.

(Assoc.Prof.Dr. Montri Socratyanurak)  
.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, 2018, 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.

However, the Board of Directors of the Company has monitored and supported the executives to implement the strategies as well as the quality of internal control, risk management, and good governance system systematically and continuously. Moreover, the Company should have the sufficient and appropriate governance system and allow it to operate effectively to achieve the objective.

(Assoc.Prof.Dr. Montri Socratyanurak)

Chairman

(Mrs. Patraporn Wannapinyo)

Chairman of Executive Committee



## Financial Highlight

### (n) Summary of the Opinion of Auditor

Financial Statement	:	Financial Statement for the Year 2018 as of December 31, 2018
Auditor and Opinion of Auditor	:	DIA International Auditing Company Limited by Mrs. Suvimol Krittayakiern, Certified Public Accountant No.2982 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, 2018 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 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.

(2) Summary of Financial Position and Performance

Financial Position	Consolidated Financial Statement (Audited)					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and Cash Equivalents	65.75	8.56%	32.14	4.48%	52.79	6.95%
Short-Term Investments	0.98	0.13%	0.70	0.10%	0.14	0.02%
Trade Accounts and Other Receivable - Net	95.84	12.48%	63.18	8.81%	127.73	16.81%
Short-term Loans to Other Parties	-	-	4.50	0.63%	-	-
Inventories - Net	47.50	6.19%	56.56	7.89%	29.65	3.90%
Other Current Assets	32.64	4.25%	35.93	5.01%	44.60	5.87%
<b>Total Current Assets</b>	<b>242.71</b>	<b>31.61%</b>	<b>193.01</b>	<b>26.92%</b>	<b>254.91</b>	<b>33.56%</b>
Cash Restricted or Pledged	2.09	0.27%	0.83	0.12%	6.17	0.81%
Investment Accounted for Using Cost Method	75.44	9.83%	59.11	8.24%	35.23	4.64%
Investment in Associates	-	-	20.85	2.91%	28.31	3.73%
Investment in Joint Venture	-	-	3.07	0.43%	7.41	0.98%
Property, Plant and Equipment - Net	432.29	56.31%	425.64	59.36%	413.29	54.41%
Computer Software - Net	1.63	0.21%	1.17	0.16%	0.80	0.11%
Goodwill	6.80	0.89%	6.80	0.95%	6.80	0.90%
Deferred Tax Assets	6.27	0.82%	6.03	0.84%	6.18	0.81%
Other Non-Current Assets	0.48	0.06%	0.54	0.08%	0.54	0.07%
<b>Total Non-Current Assets</b>	<b>525.00</b>	<b>68.39%</b>	<b>524.04</b>	<b>73.08%</b>	<b>504.73</b>	<b>66.44%</b>
<b>Total Assets</b>	<b>767.71</b>	<b>100.00%</b>	<b>717.05</b>	<b>100.00%</b>	<b>759.64</b>	<b>100.00%</b>
Trade Accounts and Other Payable	74.09	9.65%	45.85	6.39%	56.83	7.48%
Current Portion of Long-Term Liabilities	-	-	0.90	0.13%	0.97	0.13%
Other Current Liabilities	21.94	2.86%	12.36	1.72%	8.20	1.08%
<b>Total Current Liabilities</b>	<b>96.03</b>	<b>12.51%</b>	<b>59.11</b>	<b>8.24%</b>	<b>66.00</b>	<b>8.69%</b>
Deferred Tax Liabilities	0.02	0.00%	-	-	-	-
Finance Lease Liabilities	-	-	3.83	0.53%	2.86	0.38%
Employee Benefit Obligation	14.13	1.84%	15.88	2.21%	16.62	2.19%
<b>Total Non-Current Liabilities</b>	<b>14.15</b>	<b>1.84%</b>	<b>19.71</b>	<b>2.75%</b>	<b>19.48</b>	<b>2.56%</b>
<b>Total Liabilities</b>	<b>110.18</b>	<b>14.35%</b>	<b>78.82</b>	<b>10.99%</b>	<b>85.48</b>	<b>11.25%</b>
Authorized Share Capital	250.00	32.56%	250.00	34.87%	250.00	32.91%
Issued and Fully Paid-up Share Capital	200.00	26.05%	200.00	27.89%	200.01	26.33%
Premium on Share Capital	331.64	43.20%	331.64	46.25%	331.68	43.66%
Premium from Share Swap	25.05	3.26%	25.05	3.49%	25.05	3.30%
Legal and Statutory Reserves	8.89	1.16%	9.67	1.35%	10.74	1.41%
Retained Earnings - Unappropriated	88.71	11.56%	71.32	9.95%	101.33	13.34%
Other Components of Equity	0.46	0.06%	0.29	0.04%	1.45	0.19%
Equity Attributable to Equity Holders of Parent Company	654.75	85.29%	637.97	88.97%	670.26	88.23%
Non-Controlling Interests	2.78	0.36%	0.26	0.04%	3.90	0.51%
<b>Total Equity</b>	<b>657.53</b>	<b>85.65%</b>	<b>638.23</b>	<b>89.01%</b>	<b>674.16</b>	<b>88.75%</b>
<b>Total Liabilities and Equity</b>	<b>767.71</b>	<b>100.00%</b>	<b>717.05</b>	<b>100.00%</b>	<b>759.64</b>	<b>100.00%</b>

Statement of Comprehensive Income	Consolidated Financial Statement (Audited)					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Advertising	307.24	60.53%	224.46	52.33%	202.72	38.76%
Revenue from Rendering of Services	198.69	39.15%	200.71	46.79%	316.63	60.55%
Revenue from Artist Management	1.62	0.32%	3.63	0.85%	3.61	0.69%
Revenue from Sale of Books	0.02	0.00%	0.15	0.03%	-	-
<b>Revenues from Sale of Goods and Rendering of Services</b>	<b>507.57</b>	<b>100.00%</b>	<b>428.95</b>	<b>100.00%</b>	<b>522.96</b>	<b>100.00%</b>
Cost from Advertising	220.62	43.47%	177.44	41.37%	134.33	25.69%
Cost from Rendering of Services	136.19	26.83%	133.52	31.13%	235.70	45.07%
Cost from Artist Management	1.25	0.25%	2.84	0.66%	3.02	0.58%
Cost from Sale of Books	0.02	0.00%	0.05	0.01%	-	-
<b>Cost of Sale of Goods and Rendering of Services</b>	<b>358.08</b>	<b>70.55%</b>	<b>313.85</b>	<b>73.17%</b>	<b>373.05</b>	<b>71.33%</b>
<b>Gross Profit</b>	<b>149.49</b>	<b>29.45%</b>	<b>115.10</b>	<b>26.83%</b>	<b>149.91</b>	<b>28.67%</b>
Other Income	8.63	1.70%	3.53	0.82%	3.16	0.60%
Shares of Profits from Investments Accounted for Using the Equity Method	-	-	0.93	0.22%	-2.30	-0.44%
Profit before Expenses	158.12	31.15%	119.56	27.87%	150.77	28.83%
Selling Expenses	4.75	0.94%	4.98	1.16%	7.40	1.42%
Administrative Expenses	93.81	18.48%	93.02	21.69%	100.02	19.13%
Profit Before Finance Costs And Income Tax Expenses	59.56	11.73%	21.56	5.02%	43.35	8.29%
Finance Costs	0.00	0.00%	0.13	0.03%	0.30	0.06%
<b>Profit Before Income Tax Expenses</b>	<b>59.56</b>	<b>11.73%</b>	<b>21.43</b>	<b>4.99%</b>	<b>43.05</b>	<b>8.23%</b>
Income Tax Expenses	12.33	2.43%	4.56	1.06%	8.51	1.63%
<b>Net Profit</b>	<b>47.23</b>	<b>9.31%</b>	<b>16.87</b>	<b>3.93%</b>	<b>34.54</b>	<b>6.60%</b>
Other comprehensive income						
Items that may be reclassified in profit or loss later	0.21	0.04%	-0.18	-0.04%	0.03	0.01%
Items that will not be reclassified in profit or loss later	-0.98	-0.20%	-	-	1.08	0.21%
<b>Total comprehensive income (loss) for the year</b>	<b>46.45</b>	<b>9.15%</b>	<b>16.69</b>	<b>3.89%</b>	<b>35.65</b>	<b>6.82%</b>
Profit sharing (loss) for the year						
Part of the parent company	48.37	9.53%	19.38	4.52%	31.10	5.95%
Minority Interest	-1.14	-0.22%	-2.52	-0.59%	3.44	0.66%
	47.23	9.31%	16.87	3.93%	34.54	6.60%
Total comprehensive profit (loss)						
Part of the parent company	47.59	9.38%	19.21	4.48%	32.26	6.17%
Minority Interest	-1.14	-0.22%	-2.52	-0.59%	3.39	0.65%
	46.45	9.15%	16.69	3.89%	35.65	6.82%

Statement of Cash Flow	Consolidated Financial Statement (Audited)		
	2016	2017	2018
	Million Baht	Million Baht	Million Baht
<b>Cash Flows from Operating Activity</b>			
Profit Before Income Tax Expenses	59.56	21.43	43.05
Reconciliation Items			
Reversal of Allowance for Doubtful Accounts	(0.10)	-	-
Reversal of Allowance for Revaluation of Inventories	-	-	-
Reversal of Allowance for Obsolete Inventories	(0.14)	(0.70)	-
Depreciation	-	-	2.53
Amortization	14.18	16.16	14.00
Gain from Sale of Short-term Investment	0.46	0.53	0.39
Gain from Sale of Available-for-Sale Investment	(0.76)	-	
Gain from Sale of Equipment	(2.62)	(0.92)	(0.49)
Loss from Sale of Computer and Software	-	(0.74)	(0.84)
Employee Benefit Obligation	0.01	-	
Unrealized Loss on Exchange Rate	1.34	1.75	2.09
Interest Received	-	0.05	0.14
Dividend Received	(0.36)	(0.23)	(0.16)
Interest Paid	(0.53)	-	
Profit Sharing from Investment in Associates and Joint Venture	-	0.13	0.30
<b>Change in Working Capital</b>	-	(0.92)	2.30
- Trade Account and Other Receivables			
- Inventories	30.40	28.16	(67.07)
- Other Current Assets	(2.88)	(8.36)	26.91
- Other Non-Current Assets	0.61	1.74	(0.36)
- Trade Account and Other Payables	-	(0.06)	-
- Current Liabilities	(50.69)	(21.95)	10.98
<b>Cash Generated from Operations</b>	<b>(5.15)</b>	<b>(5.06)</b>	<b>(4.17)</b>
- Interest Paid	43.33	31.01	29.60
- Tax Return	-	(0.13)	(0.30)
- Income Tax Paid	-	7.10	-
<b>Net Cash Provided By Operating Activities</b>	<b>(23.34)</b>	<b>(19.17)</b>	<b>(17.26)</b>

Statement of Cash Flow	Consolidated Financial Statement (Audited)		
	2016	2017	2018
	Million Baht	Million Baht	Million Baht
<b>Cash Flows from Investing Activity</b>			
Cash Paid for Short-term Investment	(40.98)	(1.39)	-
Cash Received from Short-term Investment	80.76	1.67	0.55
Cash Paid for Short-term Loan to Other Parties	(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 Received from 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)	(14.50)
Cash Restricted or Pledged (Increase) Decrease	(1.25)	1.26	(5.33)
Cash Paid for Available-for-Sale Securities	(191.00)	(77.00)	(76.00)
Cash Received from Available-for-Sale Securities	361.41	94.04	100.40
Cash Paid for Investment Property	(42.90)	-	
Purchases of Property, Plant and Equipment	(125.12)	(6.32)	(1.66)
Cash Received from Sale of Equipment	-	0.74	0.85
Cash Paid for Computer Software	(1.40)	(0.06)	(0.02)
Interest Received	0.36	0.21	0.16
Dividend Received	0.52	-	0.40
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>35.40</b>	<b>(14.35)</b>	<b>9.35</b>
<b>Cash Flows from Financing Activity</b>			
Cash Received from Issuing New Shares	-	-	0.05
Cash Received from Share Issuance of Subsidiaries	3.92	-	0.25
Financial Lease Obligation	-	(2.07)	(0.90)
Dividend Paid	(80.00)	(35.95)	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(76.08)</b>	<b>(38.02)</b>	<b>(0.60)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalent</b>	<b>(20.69)</b>	<b>(33.56)</b>	<b>20.78</b>
Cash and Cash Equivalents - Beginning Balance	86.44	65.75	32.14
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	(0.05)	(0.13)
<b>Cash and Cash Equivalents - Ending Balance</b>	<b>65.75</b>	<b>32.14</b>	<b>52.79</b>



(ก) Summary of Financial Ratio

Financial Ratio		Audited		
		2016	2017	2018
<b>Liquidity Ratios</b>				
Current Ratios	Times	2.60	3.27	3.86
Quick Ratio	Times	1.78	1.62	2.74
Cash Flow Ratio	Times	0.22	0.32	0.18
Receivable Turnover	Times	4.78	5.85	5.93
Days Sale Outstanding	Days	76.36	62.39	61.55
Inventory Turnover	Times	7.26	5.85	8.65
Days Sale in Inventory	Days	50.28	62.39	42.20
Accounts Payable Turnover	Times	5.19	8.64	9.70
Days Payable Outstanding	Days	70.33	42.25	37.63
Cash Cycle	Days	56.31	83.53	66.12
<b>Profitability Ratios</b>				
Gross Profit Margin	%	29.45%	26.83%	28.67%
Operating Profit Margin	%	10.03%	4.20%	7.68%
Other Profit Margin	%	1.70%	0.82%	0.60%
Operating Cash Flow / Net Profit	%	39.25%	104.32%	29.95%
Net Profit Margin	%	9.30%	3.93%	6.60%
Return on Equity	%	7.18%	2.64%	5.12%
<b>Efficiency Ratios</b>				
Return on Asset	%	5.82%	2.27%	4.68%
Return on Fixed Asset	%	13.03%	3.92%	8.21%
Asset Turnover	Times	0.63	0.58	0.71
<b>Financial Policy Ratios</b>				
Debt to Equity Ratio	Times	0.16	0.12	0.13
Interest Coverage Ratio	Times	410,734.00	164.24	146.70
Debt Service Coverage Ratio (Cash basis)	Times	0.07	0.29	0.74
Dividend Payout Ratio	%	169.39%	213.44%	0.00%

**Note: -** The Board of Directors Meeting held on February 22, 2019 to propose to the shareholders' meeting to consider and approve the dividend payment from net profit of 2018 and unappropriated retained earnings at 0.08 baht per share. Total dividend payment is 64,002,406 baht.

## Analysis and Explanation by Management

### 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 to broadcast programs. Moreover, the company provides service in TV programs and online media production. In the year 2018, the company had 4 broadcast TV programs including Master Key, Take Me Out (Thailand) and Bigheads (Thailand) which aired on Channel 33HD and Channel One.

In the year 2018, the company provided service in program production broadcasted on TV and online for 13 programs including Rakorn Singha Naka, Rakorn Together with me the next chapter, Saneha Stories, The price is right (Thailand), Take guy out and Take me out reality and Athit Uthai The Journey 2, Gang Puan Duan Dara, You are my fantasy, Ghost town and Dance Dance Dance (Thailand) etc. 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 and provide studio service.

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 and provide studio service for customers from both public and private sectors, TV station customer groups and general program producers.

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 2017-2018, to meet the higher demand from the other people to use the studio, the Company has expanded its temporary storage space to 8 storage rooms to accommodate more volume of the scene. Nowadays, the company has 5 studios with 16 storage rooms.

In the year 2018, the company focused on the expansion of TV program productions in order to generate revenue instead of advertising revenue that is continuously decreasing. And also focused on opportunity to get more jobs from the growing digital TV channel. Including expanding services in the public relations and organizing the events which made the customer base expand and generated more revenue continuously.

In addition, All those activities and services lead to further the popularity of programs such as Together with me the next chapter which there are two leading actors as artists under the company who received good feedback from the fan meet event that were held domestically and internationally, both in China and Taiwan.

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 ratio DJs.

## Performance Analysis

### Revenue

The revenue structure can be summarized as follows

Revenue	Consolidated Financial Statement (Audited)					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Advertising	307.24	59.52%	224.46	51.90%	202.72	38.53%
Services	198.69	38.49%	200.71	46.41%	316.63	60.18%
Artist Management	1.62	0.31%	3.63	0.84%	3.61	0.69%
Sale Revenues	0.02	0.00%	0.15	0.03%	-	-
<b>Total</b>	<b>507.57</b>	<b>98.33%</b>	<b>428.95</b>	<b>99.18%</b>	<b>522.96</b>	<b>99.40%</b>
Other Revenues	8.63	1.67%	3.53	0.82%	3.16	0.60%
<b>Total Revenues</b>	<b>516.20</b>	<b>100.00%</b>	<b>432.48</b>	<b>100.00%</b>	<b>526.12</b>	<b>100.00%</b>

#### 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 broadcasting its program and sell advertising to customers including advertising agencies and direct customers who would like to product their goods and services. During 2016-2018, the Company had revenue from advertising of 307.24 million baht, 224.46 million baht, and 202.72 million baht respectively which was 59.52%, 51.90%, and 38.53% of total revenues respectively. The revenue from advertising of the Company only was 31.12 %, 41.92 %, and 44.72 % of total revenue from advertising respectively. The revenue from advertising of CMED was 68.88 %, 58.08 %, and 55.28 % of total revenue from advertising respectively. The proportion of revenue from advertising in 2018 between the Company and CMED was higher because the Company developed a new program which was Bigheads Thailand broadcasted on Channel One during June-August 2018. CMED had only one program in form of international format which was Take me out (Thailand) program. 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 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 adverting industry in 2016 declined by 11.69% from 2015 and the advertising spending in analogue TV was 47,121 million baht which decreased from 57,412

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>) which showed that the advertising fund was declining continuously. This was due to the ceremony on October 2016 that all broadcasting was stopped for showing our condolence. Including the decrease of advertising sales value for each advertising agencies and the overall analogue market in order to be close to the advertising sales value of digital TV channels.

In 2018, the Company had revenue from advertising of 202.72 million baht which was 38.76% of total revenues. This revenue decreased from 2017 by 9.69%. Although the advertising industry in 2018 increased by 3.91% compared to 2017, in terms of ad spending on TV media (Including analog and digital) was 67,935 million baht which increased from 2017 by 6,833 million baht or 8.05% (Source : <https://positioningmag.com/1207540>). The reason was digital TV advertising media expansion that affected to the advertising price of old analog TV channels by pulled down close to the digital channel price which was previously much cheaper. The digital TV has also gained popularity due to the development of various content and raise the selling point of each station to create a clear customer base. Moreover, those advertising spending in the current market that are limited and shared to various media which reach the target customers on internet directly. In 2018, the Company has reduced the advertising program with low profitability from 7 programs in 2017 to 4 programs. The number of times for selling advertising reduced accordingly and the advertising revenue per minute was also reduce from the market condition. However, the Company can generate revenues from online channels higher from 2017 by 148.73%. The revenue from advertising of the Company reduced from 2017 by 9.68%.

## 2) [Revenue from Services](#)

The revenue from services of the Company and subsidiaries can be divided into 3 categories which are 1) production of TV program, 2) event organizing, and 3) studio service. The construction of studio has finished in the 3<sup>rd</sup> quarter of 2016. During 2016-2018, the Company had revenue from services of 198.69 million baht, 200.71 million baht, and 200.71 million baht respectively which was 38.49%, 46.41 %, and 60.18 % of total revenues respectively. The details of revenue from services are as follows.

Revenues from Service	Consolidated Financial Statement					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Production Service	193.14	97.21%	163.85	81.63%	253.81	80.16%
Event Organizing / other services	4.22	2.12%	25.59	12.75%	49.79	15.72%
Studio Services	1.33	0.67%	11.27	5.62%	13.03	4.12%
<b>Total Revenues from Service</b>	<b>198.69</b>	<b>100.00%</b>	<b>200.71</b>	<b>100.00%</b>	<b>316.63</b>	<b>100.00%</b>

In 2016, the Company had revenue from services 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) "Bad Romance The Series", 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 services of 200.71 million baht which increased from 2016 by 2.02 million baht or 1.02%. The revenue from providing service in production of 7 TV programs which were 1) "Sathon Jedee", 2) "Ok Hak Ma Rak Kab Pom", 3) "Take Guy Out", 4) "Take Me Out Reality", 5) "Arthit Utai", 6) "Sapai Kafak", 7) The Price is Right (Thailand). The revenue from public relations, events and VDO Online media planning, 19 events. The revenue from studio service (Available time from the company shooting) for individuals / other companies, 5 studio and 13 scene stores.

In 2018, the Company had revenue from services of 316.63 million baht which increased from 2017 by 115.92 million baht or 57.75%. These revenues can be divided as follows.

- The revenues from providing service in design and production of TV programs including online programs for 13 program e.g. Singha Naka, Together with me the next chapter, Take Guy Out, Take Me Out Reality, Arthit-Utai the Journey 2, The Price is Right (Thailand), Sanaha Stories, Game Son Phee, Gang Puan Duan Raka, You are my fantasy, Dance Dance Dance (Thailand), etc. Total revenues were 253.81 million baht which is 80.16% of total revenues from services. This revenue increased from 2017 by 54.99%.

- The revenues from PR, organizing events, and plan media VDO online for 31 customers were 49.78 million baht which was 15.72% of total revenue from services. This revenue increased from 2017 by 94.57%.



- The revenues from studio service (during the vacant period) for outside people for 5 studios and 16 scenes were 13.03 million baht which was 4.12% of total revenue from services. This revenue increased from 2017 by 15.62%.

### 3) Revenues from Artist Management

During 2016-2018, the Company had revenue from artist management of 1.62 million baht, 3.63 million baht, and 3.61 million baht respectively which was 0.31%, 0.84%, and 0.69% of total revenues respectively. In 2018, the Company developed new artists from its TV programs Together with me the next chapter broadcasting in Line TV which is popular for both local and international. The 2 leading actors can generate revenues from joining the events and promoting goods as well as trust to be the presenter of advertising in one project throughout the year.

### Other Revenues

During 2016-2018, the Company had other revenues of 8.63 million baht, 3.53 million baht, and 3.16 million baht respectively which was 1.67%, 0.82%, and 0.60% of total revenues respectively. Other revenues included interest income, revenue from sale of assets, gain from sale of marketable securities, and others. The other revenues in 2018 was mainly from compensations for damage of 0.66 million baht, gain from sale of marketable securities of 0.49 million baht, gain from sale of assets of 0.85 million baht, and sponsor from selling the books of 0.29 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. The major costs were the cost of hiring actors and moderators, cost of labors, cost for Props/Art/Costume, cost for location/accommodation, cost of food, cost of equipment, cost of transportation, cost of prize/reward, cost of hiring for production, cost of editing/sound recording, cost of copyright, cost of airtime, etc. These costs were included in the budget for each program which were approved before the production started.

Gross Profit	2016		2017		2018	
	Gross Profit (Million Baht)	Gross Profit Margin (%)	Gross Profit (Million Baht)	Gross Profit Margin (%)	Gross Profit (Million Baht)	Gross Profit Margin (%)
Advertising	86.62	28.19%	47.02	20.95%	68.39	33.74%
Service	62.50	31.45%	67.18	33.47%	80.93	25.56%
Artist Management	0.37	22.90%	0.80	21.94%	0.59	16.34%
Sale of Book	0.00	9.02%	0.10	67.46%	-	-
<b>Total</b>	<b>149.49</b>	<b>29.45%</b>	<b>115.10</b>	<b>26.83%</b>	<b>149.91</b>	<b>28.67%</b>

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 3<sup>rd</sup> quarter of 2016.

In 2017, the cost of sale and service was 313.85 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. 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.

In 2018, the cost of sale and service was 373.05 million which was 71.33% of total revenues. The cost from advertising was 143.33 million baht. The cost from service was 235.70 million baht. The cost from artist management was 3.02 million baht. In 2017, the gross profit margin was lower from 26.83% in 2017 to 28.67% in 2018 due to the decrease of advertising price especially in Analog TV. The gross profit margin from advertising was lower. The Company decided to reduce the number of programs with lower profitability and increase in providing services for TV production. The Company also provided services in PR, events, and plan Media VDO Online making the gross profit in 2018 increasing from 2017 by 13.75 million.

During 2016-2018, the Company had gross profit margin 29.45%, 26.83%, and 28.67% of total revenues respectively.

## Expenses

During 2016-2018, the Company had selling and administrative expenses of 98.56 million baht, 88.50 million baht, and 107.42 million baht respectively which was 19.42%, 16.85%, and 20.54% 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 2016-2018, the Company had selling expenses of 4.75 million baht, 4.98 million baht, and 7.40 million baht respectively. The selling expense in 2018 was higher than 2017 by 2.42 million baht or 48.59% due to the increase of marketing expense in sale promotion compared to the year 2017 in order to increase the advertising.

### Administrative Expenses

The administrative expenses included salary expense, depreciation expense, consultant expense, utility expense, and other expenses. Around 68.72% of administrative expense was salary expense. During 2016-

2018, the Company had administrative expenses of 93.81 million baht, 93.02 million baht, and 100.02 million baht respectively. The administrative expense in 2018 was higher than 2017 by 7.00 million baht due to the allowance for doubtful accounts of 2.53 million baht, loss from exchange rate of 0.70 million baht, and the increase in salary expenses of 3.19 million baht.

### Net Profit and Net Profit Margin

During 2016-2018, the Company had profit before finance costs and income tax expenses of baht, 59.56 million baht, 21.56 million baht, and 43.05 million respectively. The Company had finance costs of 0.00 million baht, 0.13 million baht, 0.30 million baht respectively. The increase of finance costs in 2018 was from the interest on car leasing and the fund transfer fee that the Company has used the fund transfer instead of issuing checks. In addition, The Company had income tax expense of 12.33 million baht, 4.56 million baht, 8.51 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 2016-2018, the Company had net profit of 47.23 million baht, 16.87 million baht, and 34.54 million baht respectively. The net profit margin was 9.31%, 3.93%, 6.60%, respectively. The increase in this is from the increase in profitability of the Company after the Company has reduced the number of programs with low profitability and changed to providing more services. However, getting more revenues from services cannot extend to find other revenues like the advertising program, the profit margin decreased from 33.47% in 2018 to 25.56% in 2019. However, the Company could generate more gross profit amount increasing from 67.18 million in 2017 to 80.93 million in 2018 which represented the increase of 13.75 million baht. This is from the increase in the number of services as the revenue from services also increase from 200.71 million baht in 2017 to 316.63 million baht in 2018 which represented the increase of 115.92 million or 57.75%.

### Return on Equity

During 2016-2018, the Company had return on equity of 7.18%, 2.64%, and 5.12% respectively. The return on equity in 2018 was higher because the net profit in 2018 increased by 17.67 million baht or 104.74%. The shareholders' equity increased from 638.22 million baht to 674.16 million baht because the Company did not pay dividends in 2018. The warrant holders exercised their rights in 2018 only 0.01 million baht after including the net profit, the shareholders' equity has increased by 35.93 million or 5.63% compared to 2017. The increase in net profit was higher than the increase in shareholders' equity making return of equity in 2018 increased from 2017 by 2.48%.

## Financial Position of the Company

### Assets

The Company had total assts as of December 31, 2016-2018 of 767.71 million baht, 717.05 million baht, and 759.64 million 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, 2016-2018 of 65.75 million baht, 32.14 million baht, and 52.79 million baht, which was 8.56%, 4.44%, and 6.95% 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, 2016-2018 of 0.98 million baht, 0.70 million baht, and 0.14 million baht which was 0.13%, 0.10%, and 0.14% of total assets respectively.

#### - Trade Accounts and Other Receivable

The Company had trade accounts and other receivable as of December 31, 2016-2018 at 95.48 million baht, 63.18 million baht, and 127.73 million baht respectively which was 12.48%, 8.81%, and 16.81% 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, 2016-2018 at 84.72 million baht, 54.83 million baht, and THB 113.01 million respectively. The trade account receivable in 2016 decreased from the amount of 36.13 million baht in 2015 or decreased by 29.06%. 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. In 2017, the trade account receivable decreased due to the decrease of advertising as mentioned earlier. In 2018, there were large customers who hired the Company to produce TV programs, event management, and Plan Media VDO Online. The Company has already delivered the works and it is under acceptance process and the Company needs to wait for the payment based on the credit period of each customer.

In 2018, 61.51% of trade account receivable was overdue not more than 3 months which mostly are the customers who hired the Company to produce programs and it is under the acceptance process. Moreover, 38.37% 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	2016	2017	2018
Not due yet	84.25	54.30	43.36
Overdue			
Not more than 3 months	-	0.29	69.51
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	0.38
More than 12 months	3.49	3.01	4.88
<b>Total Trade Accounts Receivable</b>	<b>88.21</b>	<b>58.32</b>	<b>118.14</b>
<u>Less</u> Allowance for Doubtful Accounts	(3.49)	(3.49)	(5.13)
<b>Trade Accounts Receivable - Net</b>	<b>84.72</b>	<b>54.83</b>	<b>113.01</b>

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 receivable from related parties, prepaid expense and accrued revenue. The Company had other receivables as of December 31, 2016-2018 of 7.58 million baht, 8.35 million baht, and 14.72 million baht respectively. Other receivables are from the accrued revenue after the delivery of the tape, but it is under the process of accepting 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. The Company has already received the loan repayment for the whole amount in 2018.

#### - Inventory

The Company had inventory as of December 31, 2016-2018 of 47.50 million baht, 56.56 million baht, and 29.65 million baht respectively which was 6.19%, 7.81%, and 3.90% of total assets. 91.03% 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	2016	2017	2018
TV Program	44.75	53.92	27.07
Book	3.45	0.02	0.05
<u>Less</u> Allowance for obsolete inventories	<u>(3.29)</u>	-	-
<i>Book-Net</i>	<i>0.16</i>	<i>0.02</i>	<i>0.05</i>
Cosmetics	-	-	0.74
Other Inventories	2.59	2.62	1.79
<b>Total</b>	<b>47.50</b>	<b>56.56</b>	<b>29.65</b>

- 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, 2016-2018 of 75.44 million baht, 59.11 million baht, and 35.23 million baht which was 9.83%, 8.24%, and 4.64% of total assets

- Property, Plant, and Equipment – Net

The Company had net property, plant, and equipment as of December 31, 2016-2018 of 432.29 million baht, 425.64 million baht, and 413.29 million baht which was 56.31%, 59.63%, and 54.41% 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.

In 2018, the Company had net property, plant, and equipment decrease from the year 2017 by 12.35 million baht or 2.90% which is the normal decrease in value based on the useful life. In 2018, the Company invested in property, plant, and equipment of 16.56 million baht.

Deferred Tax Assets

The Company had deferred tax assets as of December 31, 2016-2018 of 6.27 million baht, 6.03 million baht, and 6.18 million baht which was 0.82%, 0.84%, and 0.81% of total assets respectively. This transaction was the result of the adoption of TAS 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 2016-2018 were shown in the following table.

(Unit : Million Baht)



Item	2016	2017	2018
Allowance for revaluation of inventories	-	-	-
Allowance for obsolete inventories	0.66	-	-
Allowance for doubtful accounts	0.70	0.70	1.20
Allowance for revaluation of land and building	1.54	1.54	1.54
Employee benefit obligation	2.83	3.18	3.33
Allowance for impairment of investment in subsidiaries	0.58	0.58	0.00
Financial lease obligation	-	0.05	0.14
Unrealized gain on available-for-sale securities	(0.04)	(0.02)	(0.03)
<b>Total Deferred Tax Assets</b>	<b>6.27</b>	<b>6.03</b>	<b>6.18</b>

## Source of Capital

### Liabilities

The Company had total liabilities as of December 31, 2016-2018 of 110.18 million baht, 86.09 million baht, 85.48 million baht which was 14.35, 10.99% and ,11.25% 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, 2016-2018 of 74.09 million baht, 48.59 million baht, and 56.83 million baht which was 9.65%, 6.39%, and 7.48% 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, 2016-2018 of 36.48 million baht, 36.14 million baht, and 40.74 million baht respectively. The increase in trade accounts payable in 2018 was from the new trade accounts payable in normal business operation based on the increase in the number of works of the Company as seen in the increase in total revenues in 2018.

#### Other Payables

The other payables included accrued discount to advertising agencies and other accrued expenses. The Company had other payables as of December 31, 2016-2018 of 37.61 million baht, 9.70 million baht, and 16.09 million baht respectively. The decrease of other payables in 2017 was from the unbilled cost of advertising for 2 programs of CMEC. The increases in other payables in 2018 was from recoding expenses on accrual basis.

## Shareholders' Equity

The Company had total shareholders' equity as of December 31, 2016-2018 of 657.53 million baht, 638.22 million baht, and 674.16 million baht which was 85.65%, 89.01%, and 88.75% of total assets respectively. The Company had unappropriated retained earnings as of December 31, 2016-2018 of 12288.71 million baht, 71.32 million baht, and 101.33 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 increase in retained earnings in 2018 was from the higher net profit in 2018 and there was no dividend payment. Therefore, the whole amount of net profit after deducting legal reserve of 5% of net profit was included in unappropriated retained earnings.

The debt to equity ratios of the Company during 2016-2018 are 0.16 times, 0.12 times, and 0.13 times respectively. In 2018, the debt to equity ratios increased by only 0.01 times though the Company could make more profits in 2018 because the increase in current liabilities as the result of business expansion.

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 are 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. In 2017, there was no warrant holder of TVT-W1 exercised their rights

On May 24, 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, 2016, 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 40,800 shares or 51.00% 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 paid from the net profit after deducting legal reserve in 2016.

On May 16, 2018 which is the last exercise date of the warrants of the Company (TVT-W1). There was no exercise of warrant before this. In this last exercise date, the warrant holders have exercised the warrants for 30,075 units with the exercise ratio of 1:1 at the exercise price of 1.50 baht per share. The Company has received the payment and process to register the paid-up capital on May 23, 2018. Total authorized and paid-up capital is 7,518.75 baht (the par value is 0.25 baht per share)

## Liquidity

The Company had total current assets as of December 31, 2016-2018 of 242.71 million baht, 193.01 million, and 254.91 million baht respectively. In 2017, the current assets decreased by 49.70 million from 2016 due to the use of working capital to invest in joint venture for 20.85 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. In 2018, the current assets increased by 61.90 million compared to the year 2017 which is 32.07% due to the increase in trade accounts receivable and other receivables of 64.55 million, which is from the large customers that the Company has already delivered the works and waited for the payment.

The Company had total current liabilities as of December 31, 2016-2018 of 96.03 million baht, 59.11 million baht, and 66.00 million baht which was 12.51%, 8.24%, and 8.69% of total assets respectively. The decrease of trade accounts in 2017 was due to all broadcasting was stopped for showing our condolence during October-December 2017. In 2018, the Company had current liabilities increase by 6.89 million baht or 11.66% which was from the increase of program production and event management in 2018.

From the above changes in current assets and current liabilities, the Company had current ratio during 2016-2018 of 2.60 times, 3.27 times, and 3.89 times respectively. The Company had quick ratio during 2016-2018 of 1.78 times, 1.62 times, and 2.74 times respectively. The increase of liquidity ratio was from the decrease of current liabilities because the ratio of current liabilities to total assets in 2018 increased from 8.24% to 8.69% which is 0.45% whereas the ratio of current assets to total assets in 2018 increased from 26.92% to 33.56% which is 6.64%. This resulted in higher liquidity ratio of the Company in 2018.

The quick ratio in 2018 also increased because the increase in total assets in 2018 was from the increase in current assets especially from cash and equivalents as well as trade accounts receivable and other receivables. This resulted in higher quick ratio in 2018 from 1.62 times to 2.74 times which is the increase by 1.12 times.

The Company had cash cycle during 2016-2018 of 56.31 days, 83.53 days, and 66.12 days respectively. The decrease of cash cycle in 2018 was due to the increase in Inventory Turnover. The Days Sale in Inventory decreased from 62.39 days to 42.20 days because the Company focused on providing services in program production, event management, and studio services that can record revenues faster than advertising programs. The nature of advertising program production is filmed on daily basis and to get the number of tapes as much as possible to reduce the production costs. This made the inventory turnover lower than other works of the Company.

## Cash Flow

During 2016-2018, the Company had cash flow provided by (used in) operating activities of 19.99 million baht, 18.81 million baht, and 12.04 million respectively. In 2017, the decrease of cash flow from operating activities was from the decrease in net profit to 24.43 million baht which was lower than 2016 by 38.13 million baht. The cash paid for trade accounts and other payable in 2017 was 21.95 million baht which was lower than 2016 by 28.74 million baht. Therefore, The cash flow from operating activities decreased slightly by 1.18 million. In 2018, the Company had higher profit and higher cash flow from trade accounts payable and other payables of 10.98 million baht. However, the cash outflow was higher from the trade accounts receivable and other receivables of 67.07 million baht. This resulted in lower cash flow from operating activities.

During 2016-2018, the Company had cash flow provided by (used in) investing activities of 35.40 million baht, (14.35) million baht, 9.35 million baht respectively. The cash flow from investing activities in 2018 was positive due to the sale of available for sale securities of 100.40 million baht in 2018 which is higher than the amount of 94.04 million baht in 2017 by 6.36 million baht. Moreover, the Company had received the loan repayment from related parties of 4.50 million baht. Moreover, in 2018, the Company has paid for investment in property, plant, and equipment of 1.66 million which was lower than the amount of 6.32 million in 2017 by 4.66 million baht.

During 2016-2018, the Company had cash flow provided by (used in) financing activities of (76.08) million baht, (38.02) million baht, (0.60) million baht respectively. The cash flow from financing activities in 2018 was only (0.60) million from the payment of financial lease obligations. Compared to 2016 and 2017, the cash flow from financing activities were (76.08) million baht and (38.02) million baht because the Company paid no dividend in 2018.

During 2016-2018, the Company had debt service coverage ratio (cash basis) of 0.07 times, 0.29 times, and 0.74 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. In 2018, the Company had higher debt service coverage ratio because the decrease on obligation from paying dividends.

## 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 spending 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 not disclosing 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.



## *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 or 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 issi

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

Name-Surname Age(Year) /Title/Appointment Date	Educational Background / Training	Shareholding (%)	Relationship	5-year Work Experience		
				Period	Title	Company
Prof.Dr. Montri Socratyanurak  Age 62 Years Old  <u>Current Title :</u> -Chairman -Chairman of Nomination and Remuneration Committee Appointment on February 26, 2014 -Independent Director -Audit Committee Appointment on August 3, 2014	<u>Doctoral Degree</u> Economics, UNIVERSITY OF MINNESOTA, U.S.A. (government scholarship)  <u>Master's degree</u> -Economics, UNIVERSITY OF MINNESOTA, U.S.A. (government scholarship) -Economics, National Institute of Development Administration  <u>Bachelor's degree</u> Economics, Thammasat University  <u>Training</u> Certification of Institute of Director (IOD), Director Accreditation Program (DAP) Batch 69/2008 on February 22, 2008	None	None	2018 - Present	Director of Advance Master of Management Program	National Institute of Development Administration (NIDA)
				2016- Present	Chairman	Thai Plastic Industrial (1994) PCL
				2015 - Present	Independent Director / Chairman of Audit Committee	Megachem (Thailand) PCL
				2012 - Present	Independent Director / Chairman of Audit Committee	East Coast Furnitech PCL Union Auction PCL
				2011 - Present	Independent Director / Audit Committee	PCN Corp PCL Baansuay Group (Surat Thani) PCL
				2017-Present	Chairman	LearnTech Co., Ltd.
				2015 - Present	Independent Director / Chairman of Audit Committee	Ocean Commerce Co., Ltd.
				2011 – Present	Director	
				2013 - 2017	Chairman	

<p>Mrs. Patraporn Wannapinyo</p> <p>Age 59 Years Old</p> <p><b>Current Title :</b></p> <p>-Vice Chairman (Authorized Director)</p> <p>กรรมการสรรหาและพิจารณา ค่าตอบแทน</p> <p><i>Appointment on February 26, 2014</i></p> <p>-Chairman of Executive Committee</p> <p>-Chief Executive Officer</p> <p><i>Appointment on December 3, 2014</i></p>	<p><b><u>Master's degree</u></b></p> <p>Business Administration National Institute of Development Administration (NIDA)</p> <p><b><u>Bachelor's degree</u></b></p> <p>Communication Art Sukhothai Thammathirat Open University</p> <p><b><u>Training</u></b></p> <p>Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)</p>	24.13%	Spouse of Mr. Sompong Wannapinyo	<p>2018 – Present</p> <p>2016 – Present</p> <p>2013 – Present</p> <p>2011 – Present</p> <p>2018 – Present</p> <p>2018 – Present</p> <p>2018 – Present</p> <p>2016 - Present</p>	<p>Committee</p> <p>Committee</p> <p>Committee</p> <p>Committee</p> <p>President of the Faculty of Alumni Association business administration</p> <p>Vice President, Alumni Association</p> <p>Committee</p> <p>Vice president</p>	<p>Meraya LTD.</p> <p>Big Brain Company Limited</p> <p>EM Entertainment Company Limited</p> <p>Creatis Media Co., Ltd.</p> <p>National Institute of Development Administration (NIDA)</p> <p>National Institute of Development Administration (NIDA)</p> <p>Right Livelihood Foundation</p> <p>Zonta Club Bangkok IX</p>
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<p>Mr. Sompong Wannapinyo</p> <p>Age 69 Years Old</p> <p>Current Title :</p> <p>-Director (Authorized Director)</p> <p>-Chairman of Advisory Board</p> <p>Appointment on December 3, 2014</p> <p>Mr. Sompong Wannapinyo</p>	<p><u>Honorary Degree</u></p> <p>Television and Radio Technology, Rajamangala University of Technology Thanyaburi</p> <p><u>Training</u></p> <p>Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)</p>	17.85%	<p>Spouse of Mrs. Patraporn Wannapinyo</p>	<p>2011 – Present</p> <p>2016 – Present</p>	<p>Committee</p> <p>Committee</p>	<p>Creatis Media Co., Ltd.</p> <p>Radio-Television Broadcasting Professional Federation (RTBPF)</p>
<p>Mr. Phusit Laithong</p> <p>Age 59 Years Old</p> <p>Current Title :</p> <p>-Director</p> <p>-Executive Committee</p> <p>- Risk Management Committee</p> <p>-Vice President</p> <p>Appointment on December 3, 2014</p>	<p><u>Bachelor's degree</u></p> <p>Education (Music), Chulalongkorn University</p> <p><u>Training</u></p> <p>Certification of Director Accreditation Program (DAP) Batch 112/2014 from Institute of Director (IOD)</p>	0.03%	None	<p>2014 - Present</p> <p>2012 - Present</p> <p>2005 - 2011</p>	<p>- Executive Committee</p> <p>- Director /Vice Preside</p> <p>- Deputy Managing Director</p>	<p>TV Thunder PCL</p> <p>TV Thunder PCL</p> <p>TV Thunder PCL</p>

<p>Mr. Pirath Yensudjai</p> <p>Age 41 Years Old</p> <p>Current Title :</p> <ul style="list-style-type: none"> <li>- Director (Authorized Director)</li> <li>- Executive Committee</li> <li>- Risk Management Committee</li> <li>- Vice President</li> <li>- Acting Deputy Vice President for Investment Development Division</li> </ul> <p>Appointment on December 3, 2014</p>	<p><u>Master's degree</u></p> <p>Marketing Sasin Graduate Institute of Business Administration of Chulalongkorn</p> <p><u>Bachelor's degree</u></p> <p>Science in Business Administration, Investments/Finance Babson College Massachusetts, U.S.A.</p> <p><u>Training</u></p> <p>Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)</p>	1.06%	<p>Spouse of Ms. Napat Wannapinyo</p>	<p>2011 - Present</p> <p>2016 - Present</p>	<p>- Director / Executive Committee</p> <p>- Director / Executive Committee</p>	<p>Creatis Media Co., Ltd.</p> <p>Big Brain Co., Ltd.</p>
<p>Mr. Natakrit Wannapinyo</p> <p>Age 36 Years Old</p> <p>Current Title :</p> <ul style="list-style-type: none"> <li>- Director (Authorized Director)</li> <li>- Executive Committee</li> <li>- Deputy Vice President for Business Development Division</li> </ul> <p>Appointment on December 3, 2014</p> <ul style="list-style-type: none"> <li>- Company Secretary</li> </ul> <p>Appointment on November 13, 2015</p>	<p><u>Master's degree</u></p> <p>Enterprise Management for Creative UK</p> <p><u>Bachelor's degree</u></p> <p>Sociology and Anthropology Thammasat University</p> <p><u>Training</u></p> <p>Certification of Director Accreditation Program (DAP) Batch 111/2014 from Institute of Director (IOD)</p>	11.27%	<p>- Son of Mr. Sompong Wannapinyo and Mrs. Patraporn Wannapinyo</p> <p>- Sibling with Ms. Napat Wannapinyo</p>	<p>2011 - Present</p> <p>2013 - Present</p> <p>2018 - Present</p>	<p>- Deputy Vice President for Business Development Division Director / Executive Producer</p> <p>- Director /Executive Committee</p> <p>- Director /Executive Committee</p>	<p>Creatis Media Co., Ltd.</p> <p>EM Entertainment Co., Ltd.</p> <p>Meraya Co., Ltd.</p>



<p>Ms. Napat Wannapinyo</p> <p>Age 40 Years Old</p> <p>Current Title :</p> <ul style="list-style-type: none"> <li>- Executive Committee</li> <li>- Deputy Vice President for Marketing Division</li> </ul> <p>Appointment on December 3. 2014</p>	<p><u>Master's degree</u></p> <p>Marketing University of East Anglia, UK</p> <p><u>Bachelor's degree</u></p> <p>Communication Art, Chulalongkorn University</p>	5.82%	<ul style="list-style-type: none"> <li>- Son of Mr. Sompong Wannapinyo and Mrs. Patraporn Wannapinyo</li> <li>- Sibling with Mr. Natakrit Wannapinyo</li> <li>- Spouse of Mr. Pirath Yensudjai</li> </ul>	2011 - Present	Director / Executive Director	Creatis Media Co., Ltd.
<p><b>Ms. Piyaporn Laithong</b></p> <p>Age 57 Years Old</p> <p>Current Title :</p> <ul style="list-style-type: none"> <li>- Executive Committee</li> <li>- Risk Management Committee</li> <li>- Deputy Vice President for Production Division</li> </ul> <p>Appointment on December 3. 2014</p>	<p><u>Bachelor's degree</u></p> <p>Education, Chulalongkorn University</p>	None	None	<p>2014 - Present</p> <p>2013 - Present</p>	<ul style="list-style-type: none"> <li>- Executive Committee</li> <li>- Deputy Vice President for Production Division</li> </ul>	<p>TV Thunder PCL</p> <p>TV Thunder PCL</p>

<p>Ms. Naree Wichunakorn</p> <p>Age 58 Years Old</p> <p>Current Title :</p> <ul style="list-style-type: none"> <li>- Executive Committee</li> <li>- Risk Management Committee</li> <li>- Deputy Vice President for Finance Division</li> </ul> <p>Appointment on December 3. 2014</p>	<p><b><u>Master's degree</u></b></p> <p>Accounting, Ramkamhaeng University</p> <p><b><u>Bachelor's degree</u></b></p> <p>Accounting, Dhurakij Pundit University</p>	0.00%	None	<p>2014 - Present</p> <p>2006 - Present</p>	<ul style="list-style-type: none"> <li>- Executive Committee</li> <li>- Deputy Vice President for Finance Division</li> </ul>	<p>TV Thunder PCL</p> <p>TV Thunder PCL</p>
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Mr. Sudhitham Chirathivat	<u>Bachelor's degree</u> Electrical Engineering, University of Maryland (Colleg Park) U.S.A.	None	None	Present	- Director and Audit Committee and Independent Director	TV Thunder PCL
Age 71 Years Old				Present	- Director	Central Group Co., Ltd.
Current Title :				Present	- Director	The Vintage Club Co., Ltd.
-Director	<u>Master's degree</u>			Present	- Director	Earthcare Co., Ltd.
Appointment on December 3. 2014	Business Administration (Operations Research)			Present	- Director	Robinson PCL
-Audit Committee	Iona University, U.S.A.				- Director	Central Pattana PCL
- Independent Director					- Chairman and Independent Director	Central Plaza Hotel PCL
Appointment on August 3. 2014	<u>Training</u>					Jasmine International Public Company Limited
	- Thailand National Defense College, Public Private Sector Program Batch 13					
	- Director Certification Program (DCP) Batch 37/2003 from Institute of Director (IOD)					

<p>Assoc.Prof.Dr. Gallayanee Parkatt</p> <p>Age 62 Years Old</p> <p>Current Title : -Director Appointment on December 3. 2014</p> <p>-Audit Committee -Independent Director Appointment on August 3. 2014</p>	<p><u>Doctoral Degree</u> - Ph.D. (Finance), RMIT University, Melbourne, Australia</p> <p><u>Master's degree</u> - M.Bus (By Research), RMIT University, Melbourne, Australia -Business Administration (Business Administration – Finance), National Institute of Development Administration (NIDA)</p> <p><u>Bachelor's degree</u> Accounting, University of Thai Chamber of Commerce</p> <p><u>Training</u> Certification of Director Accreditation Program (DAP) Batch 99/2012 from Institute of Director (IOD)</p>	None	None	<p>2014 - Present</p> <p>2013 – 2015</p> <p>2010 - Present</p>	<p>- Audit Committee/ Independent Director</p> <p>- Vice Rector of Finance</p> <p>- Chairman of the Committee for Doctor of Philosophy in Business Administration, Sukhothai Thammathirat Open University</p>	<p>TV Thunder PCL</p> <p>Sukhothai Thammathirat Open University</p> <p>Sukhothai Thammathirat Open University</p>
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## Information about the Chief Internal Auditor of the Company

The Company uses outsource that is Dharmniti Internal Audit Co., Ltd. as the chief of internal audit by assigning Ms. Somcharee Kawkomdee who is executive committee and head of internal audit to be the internal auditor of the Company.

Name – Surname	Educational Background/ Training	Shareholding (%)	Relationship	Work experience		
				Period	Title and Department	Organization
Ms. Somcharee Kawkomdee <b>Age 55 years old</b> <u>Training</u> -Internal Audit Program Batch 1-2 -Risk Assessment Program - COSO 2013 Program in Theory and Practice -Program in Maintaining and Improving Quality of Internal Audit in Organization -Self-Assessment for Anti-Corruption Measure -Guideline in Investigating of Fraud -International Standards for the Professional Practice of Internal Auditing -Training for Examination Preparation of CIA Part II, Federation of Accounting Professions	<u>Education</u> Bachelor's degree Faculty of Humanity and Social Science Accounting Major (Bachelor of Accountancy) <u>Training</u> Training Program for Internal Audit in Preparing to be Certified Internal Auditor (Pre CIA), Chulalongkorn University	None	None	2011 - Present 1999 - 2007 2011 – 2016  June 2016 – Present	Internal Auditor Senior Internal Auditor Assistant Manager  Executive Committee and Head of Internal Audit	Internal Audit Department Dharmniti Auditing Co., Ltd. providing services in audit and internal audit  Dharmniti Internal Audit Co., Ltd. providing services in internal audit

## Information about Property Valuation

Property		Valuer	Date	Purpose	Value
1. Land	: Area of 8 - 1 - 76.3 Rai	SL Standard Appraisal Co., Ltd.	Feb 25, 2015	Public Use	101,300,000 baht
<b>Location</b>	: : 8 Soi Keha Rom Klao 78 Yak 1 Ratpattana Road, Saphan Sung Saphan Sung, Bangkok	Mr. Apichart Duangsawat Surveyor and Valuer (WorSor. 876)  Mr. Phanuthat Phothong Principal Valuer (WorThor. 353)			
<b>Title Deed</b>	: Title Deed No. 16688, 16689, 16628, 16690, 3758, 3759, and 16691	Principal Valuer approved by the Office Of Security and Exchange Commission (Office of SEC)			
<b>Ownership</b>	: Complete ownership				
<b>Owner</b>	TV Thunder Public Company Limited				



## List of the Directors of Subsidiaries

The list of the directors of subsidiaries as of February 22, 2019 is as follows.

Name - Surname		CMED	EM	BB	MRY
<b>Mrs. Patraporn</b>	<b>Wannapinyo</b>	/ , //	/ , X , //	/ , X	/ , //
<b>Mr. Sompong</b>	<b>Wannapinyo</b>	/ , //			
<b>Mr. Natakrit</b>	<b>Wannapinyo</b>	/ , //	/ , //	/ , //	/ , X , //
<b>Ms. Napat</b>	<b>Wannapinyo</b>	/			
<b>Mr. Pirath</b>	<b>Yensudjai</b>	/ , X , //		/ , //	
<b>Mr. Jetsada</b>	<b>Osatalert</b>			/ , //	
<b>Ms. Sirinart</b>	<b>Kuntorn</b>			/ , //	
<b>Ms. Issaree</b>	<b>Kritnirattisai</b>				/ , //

### Note

1. / = Directors                      X = Chairman                      // = Executive Committee
2. **CMED** = Creatist Media Co., Ltd.  
**EM** = EM Entertainment Co., Ltd.  
**BB** = Big Brain Co., Ltd.  
**MRY** = Meraya Co., Ltd.

TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2018

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TV THUNDER PUBLIC COMPANY LIMITED

### **Opinion**

I have audited the accompanying consolidated and separate financial statements of TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES (“ the Group” ) and of TV THUNDER PUBLIC COMPANY LIMITED (“ the Company” ), which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of TV THUNDER PUBLIC COMPANY LIMITED as at December 31, 2018, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Profession'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. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

In 2018, the Group recognized revenue from advertising and services in the amount of Baht 202.72 million and Baht 316.63 million, representing 38.76% and 60.54% respectively of total revenue. The core revenues of the Group, the size of revenue from advertising and services is material to the Group's financial statements. The most of revenue is derived from a number of customers and comprised a high volume of transactions. Nevertheless, the scope of services, the determination of prices, terms and conditions of each contract are varied that may affect to the accuracy of revenues volume and the period of revenues recognition. I, therefore, have addressed this matter as key audit matters.

### **Revenues from advertising recognition**

I have obtained an assurance in respect of revenues from advertising recognition, by included;

- Obtained an understanding and assessed the internal control system design in respect of revenues recognition.
- Assessed and tested the information relating to revenues cycle.
- Tested and complied with the internal control relating to revenues recognition.
- Reviewed the conditions of service agreement and tested revenues from advertising recognition that are based on the agreed conditions and was recognized in the fiscal accounting period.
- Performed a test on sample recorded revenues from advertising transactions compared with revenue from advertising to the Commercial Log Monitoring Reports from third parties to verify that advertisements were broadcasted and could reconciled to the report.
- Tested by sampling the accounting documents with revenues, and accrued income recognition supporting.

#### Revenues from services rendering

I have obtained an assurance in respect of revenues from advertising recognition, by included;

- Obtained an understanding and assessed the internal control system design in respect of revenues recognition.
- Assessed and tested the information relating to revenues cycle.
- Tested and complied with the internal control relating to revenues recognition.
- Reviewed the conditions of services agreement and tested the revenues from services recognition.
- Performed a sampling the documented of revenues from services recognition and works assignment form.
- Tested by sampling the accounting documents with revenues, and accrued income recognition supporting.
- Checked the cutting off revenues from service rendering at the end of the period.

#### **Other matters**

The consolidated statements of financial position of TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES and separate statements of financial position of TV THUNDER PUBLIC COMPANY LIMITED as at December 31, 2017 and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes shareholders' equity and consolidated and separate statements of cash flows for the year then ended presented for comparison were audited by other auditor who expressed unqualified opinion in the report dated on February 23, 2018.

#### **Other Information**

Management is responsible for the other information. The other information comprises information 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 do not and 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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, management is responsible for assessing the Group's 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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



- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated 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 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance 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 those charged with governance, 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.

D I A INTERNATIONAL AUDIT CO., LTD.



(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

February 22, 2019

## TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
Assets	Notes	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Current assets					
Cash and cash equivalents	5	52,790,990.38	32,144,877.33	25,166,386.25	10,185,306.24
Current investments	6	140,715.67	696,143.28	140,715.67	696,143.28
Trade and other current receivables	7	127,728,171.89	63,182,132.32	117,292,673.44	86,417,415.61
Short-term loans to related parties	31.2	0.00	4,500,000.00	2,390,610.00	6,190,600.00
Inventories	8	29,648,326.78	56,558,580.31	26,756,859.09	35,072,405.55
Other current assets	9	44,601,291.10	35,928,766.71	33,471,620.71	24,934,452.11
Total current assets		254,909,495.82	193,010,499.95	205,218,865.16	163,496,322.79
Non-current assets					
Bank deposits with obligation	10,34	6,164,299.14	831,000.00	6,164,299.14	831,000.00
Available-for-sale investments	11	35,230,448.00	59,104,686.29	35,230,448.00	47,084,385.00
Investments in associate	12	28,312,399.51	20,853,256.44	27,000,000.00	20,500,000.00
Investments in subsidiaries	13	0.00	0.00	37,498,795.82	37,498,795.82
Interests in joint venture	14	7,410,203.99	3,071,041.00	4,900,000.00	2,500,000.00
Property, plant and equipment	15	413,286,386.61	425,643,349.30	411,427,177.72	422,973,425.74
Computer software	16	799,891.73	1,165,643.08	735,166.34	1,104,041.88
Goodwill	17	6,802,316.01	6,802,316.01	0.00	0.00
Deferred tax assets	18	6,181,056.60	6,023,056.23	7,311,901.90	5,930,850.88
Other non-current assets		540,779.00	540,779.00	540,779.00	540,779.00
Total non-current assets		504,727,780.59	524,035,127.35	530,808,567.92	538,963,278.32
Total assets		759,637,276.41	717,045,627.30	736,027,433.08	702,459,601.11

Notes to financial statements are parts of these financial statements

## TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2018

		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
Liabilities and shareholders' equity	Notes	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Current liabilities					
Trade and other current payables	19	56,828,207.49	45,846,628.72	56,672,567.97	41,388,666.83
Current portion of finance lease liabilities	21	966,829.62	903,061.61	966,829.62	903,061.61
Other current liabilities	20	8,195,945.48	12,363,561.36	7,008,103.79	11,157,231.04
Total current liabilities		65,990,982.59	59,113,251.69	64,647,501.38	53,448,959.48
Non-current liabilities					
Finance lease liabilities	21	2,857,437.82	3,824,265.44	2,857,437.82	3,824,265.44
Non-current provisions for employee benefit	22	16,617,685.00	15,883,609.00	15,751,250.00	15,402,281.00
Total non-current liabilities		19,475,122.82	19,707,874.44	18,608,687.82	19,226,546.44
Total liabilities		85,466,105.41	78,821,126.13	83,256,189.20	72,675,505.92

Notes to financial statements are parts of these financial statements

## TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2018

Liabilities and shareholders' equity (continued)	Notes	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Shareholders' equity					
Share capital					
Authorised share capital					
1,000,000,000 ordinary shares					
at par value of Baht 0.25 each		250,000,000.00	250,000,000.00	250,000,000.00	250,000,000.00
Issued and paid-up share capital					
800,030,075 ordinary shares					
paid-up of Baht 0.25 each	23	200,007,518.75	200,000,000.00	200,007,518.75	200,000,000.00
Share premium on ordinary shares	23	331,678,883.75	331,641,290.00	331,678,883.75	331,641,290.00
Capital surplus from share swap		25,045,423.37	25,045,423.37	27,974,757.37	27,974,757.37
Retained earnings					
Appropriated - legal reserve	25	10,747,677.99	9,663,990.98	10,747,677.99	9,663,990.98
Unappropriated		101,335,082.83	71,319,929.28	80,602,193.43	60,012,140.34
Other components of equity		1,457,190.05	291,737.54	1,760,212.59	491,916.50
Equity attributable to					
owners of the parent		670,271,776.74	637,962,371.17	652,771,243.88	629,784,095.19
Non-controlling interests		3,899,394.26	262,130.00	0.00	0.00
Total shareholders' equity		674,171,171.00	638,224,501.17	652,771,243.88	629,784,095.19
Total liabilities and shareholders' equity		759,637,276.41	717,045,627.30	736,027,433.08	702,459,601.11

Notes to financial statements are parts of these financial statements

## TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2018	2017	2018	2017
Revenue from advertising		202,720,464.70	224,458,505.04	138,357,243.68	123,103,992.62
Revenue from services		316,627,102.03	200,708,129.69	348,425,495.67	257,996,749.16
Revenue from artist management		3,614,509.83	3,633,967.13	3,634,509.83	3,643,967.12
Sale revenue		0.00	145,794.40	0.00	145,794.40
Total revenues		<u>522,962,076.56</u>	<u>428,946,396.26</u>	<u>490,417,249.18</u>	<u>384,890,503.30</u>
Cost of advertising		(134,330,053.50)	(177,435,723.89)	(117,215,314.43)	(116,115,235.33)
Cost of services		(235,695,364.92)	(133,523,176.32)	(263,333,295.79)	(173,277,239.38)
Cost of artist management		(3,021,547.02)	(2,836,629.90)	(3,021,547.02)	(2,871,929.90)
Cost of sale		0.00	(47,438.70)	0.00	(47,438.70)
Total costs		<u>(373,046,965.44)</u>	<u>(313,842,968.81)</u>	<u>(383,570,157.24)</u>	<u>(292,311,843.31)</u>
Gross profit		<u>149,915,111.12</u>	<u>115,103,427.45</u>	<u>106,847,091.94</u>	<u>92,578,659.99</u>
Other income		3,160,857.13	3,533,553.23	3,285,491.48	2,745,062.57
Distribution costs		(7,406,354.84)	(4,978,309.71)	(2,682,595.53)	(3,533,146.05)
Administrative expenses		(100,020,214.54)	(93,022,238.59)	(77,079,724.51)	(72,637,742.94)
Imparment loss on investment		0.00	0.00	(3,600,000.00)	0.00
Finance costs		(295,488.39)	(131,274.37)	(295,488.39)	(131,274.37)
Share of profit of associate and joint venture		(2,301,693.94)	924,297.44	0.00	0.00
Profit before income tax expense		<u>43,052,216.54</u>	<u>21,429,455.45</u>	<u>26,474,774.99</u>	<u>19,021,559.20</u>
Tax expense	27	<u>(8,513,656.67)</u>	<u>(4,562,686.72)</u>	<u>(4,801,034.89)</u>	<u>(3,555,491.66)</u>
Profit for the year		<u>34,538,559.87</u>	<u>16,866,768.73</u>	<u>21,673,740.10</u>	<u>15,466,067.54</u>

Notes to financial statements are parts of these financial statements

TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2018	2017	2018	2017
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss					
Change in value of available-for-sale investments		35,102.82	(219,082.21)	55,404.11	3,758.37
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		(7,020.56)	43,816.54	(11,080.82)	(751.67)
Total components of other comprehensive income that will be reclassified to profit or loss		28,082.26	(175,265.67)	44,323.29	3,006.70
Components of other comprehensive income that not will be reclassified to profit or loss					
Actuarial valuation employee benefits		1,356,019.00	0.00	1,529,966.00	0.00
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		(271,203.80)	0.00	(305,993.20)	0.00
Total components of other comprehensive income that not will be reclassified to profit or loss		1,084,815.20	0.00	1,223,972.80	0.00
Other comprehensive income (expense) for the year		1,112,897.46	(175,265.67)	1,268,296.09	3,006.70
Total comprehensive income (expense) for the year		35,651,457.33	16,691,503.06	22,942,036.19	15,469,074.24
Profit (loss) attributable to:					
Owners of the parent		31,098,840.56	19,384,954.73	21,673,740.10	15,466,067.54
Non-controlling interests		3,439,719.31	(2,518,186.00)	0.00	0.00
		34,538,559.87	16,866,768.73	21,673,740.10	15,466,067.54
Total comprehensive income (expense) attributable to:					
Owners of the parent		32,264,293.07	19,209,689.06	22,942,036.19	15,469,074.24
Non-controlling interests		3,387,164.26	(2,518,186.00)	0.00	0.00
		35,651,457.33	16,691,503.06	22,942,036.19	15,469,074.24
Earnings per share					
Basic earnings per share	28	0.0403	0.0242	0.0287	0.0193
Diluted earnings per share	28	0.0403	0.0238	0.0287	0.0190

Notes to financial statements are parts of these financial statements



TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

Consolidated financial statements												
Notes	Owners of the parent								Non-controlling interests	Total shareholders' equity		
	Issued and paid-up share capital	Share premium on ordinary shares	Capital surplus from share swap	Retained earnings		Other components of equity					Total owners of the parent	
				Appropriated - legal reserve	Unappropriated	Available-for-sale investments	Actuarial gain	Total other components of equity				
Balance as at December 31, 2016	200,000,000.00	331,641,290.00	25,045,423.37	8,890,687.53	88,708,278.00	255,124.00	211,879.21	467,003.21	654,752,682.11	2,780,316.00	657,532,998.11	
Changes in shareholders' equity for the year :												
Legal reserve	25			773,303.45	(773,303.45)						0.00	
Dividend					(36,000,000.00)				(36,000,000.00)		(36,000,000.00)	
Profit for the year					19,384,954.73				19,384,954.73	(2,518,186.00)	16,866,768.73	
Total comprehensive income (expense) for the year						(175,265.67)	0.00	(175,265.67)	(175,265.67)	0.00	(175,265.67)	
Balance as at December 31, 2017		200,000,000.00	331,641,290.00	25,045,423.37	9,663,990.98	71,319,929.28	79,858.33	211,879.21	291,737.54	637,962,371.17	262,130.00	638,224,501.17
Balance as at December 31, 2017		200,000,000.00	331,641,290.00	25,045,423.37	9,663,990.98	71,319,929.28	79,858.33	211,879.21	291,737.54	637,962,371.17	262,130.00	638,224,501.17
Investment in subsidiaries	3.2									250,100.00	250,100.00	
Changes in shareholders' equity for the year :												
Proceeds from ordinary shares	23	7,518.75	37,593.75							45,112.50		45,112.50
Legal reserve	25			1,083,687.01	(1,083,687.01)							0.00
Profit for the year					31,098,840.56				31,098,840.56	3,439,719.31	34,538,559.87	
Total comprehensive income (expense) for the year						28,082.26	1,137,370.25	1,165,452.51	1,165,452.51	(52,555.05)	1,112,897.46	
Balance as at December 31, 2018		200,007,518.75	331,678,883.75	25,045,423.37	10,747,677.99	101,335,082.83	107,940.59	1,349,249.46	1,457,190.05	670,271,776.74	3,899,394.26	674,171,171.00

Notes to financial statements are parts of these financial statements

## TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

		Separate financial statements							
Notes	Owners of the parent								
	Issued and paid-up share capital	Share premium on ordinary shares	Capital surplus from share swap	Retained earnings		Other components of equity			Total shareholders' equity
				Appropriated	Unappropriated	Available-for-sale	Actuarial	Total other	
				- legal reserve		investments	gain	components	
								of equity	
Balance as at December 31, 2016	200,000,000.00	331,641,290.00	27,974,757.37	8,890,687.53	81,319,376.25	60,610.60	428,299.20	488,909.80	650,315,020.95
Changes in shareholders' equity									
for the year :									
Legal reserve	25			773,303.45	(773,303.45)				0.00
Dividend					(36,000,000.00)				(36,000,000.00)
Profit for the year					15,466,067.54				15,466,067.54
Total comprehensive income (expense) for the year						3,006.70	0.00	3,006.70	3,006.70
Balance as at December 31, 2017	200,000,000.00	331,641,290.00	27,974,757.37	9,663,990.98	60,012,140.34	63,617.30	428,299.20	491,916.50	629,784,095.19
Balance as at December 31, 2017	200,000,000.00	331,641,290.00	27,974,757.37	9,663,990.98	60,012,140.34	63,617.30	428,299.20	491,916.50	629,784,095.19
Changes in shareholders' equity									
for the year :									
Proceeds from ordinary shares	23	7,518.75	37,593.75						45,112.50
Legal reserve	25			1,083,687.01	(1,083,687.01)				0.00
Profit for the year					21,673,740.10				21,673,740.10
Total comprehensive income (expense) for the year						44,323.29	1,223,972.80	1,268,296.09	1,268,296.09
Balance as at December 31, 2018	200,007,518.75	331,678,883.75	27,974,757.37	10,747,677.99	80,602,193.43	107,940.59	1,652,272.00	1,760,212.59	652,771,243.88

Notes to financial statements are parts of these financial statements

## TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax	43,052,216.54	21,429,455.45	26,474,774.99	19,021,559.20
Adjustments for:				
Depreciation	14,000,311.53	16,156,503.69	13,047,211.41	14,951,773.32
Amortization	389,046.35	534,334.84	368,870.54	528,191.75
Gain on sale of available-for-sale investments	(493,637.84)	(917,217.69)	(340,560.95)	(503,050.64)
(Gain) loss on write off equipment	(838,413.20)	(738,916.79)	(841,711.87)	(739,377.56)
Employee benefit obligations	2,090,095.00	1,754,746.00	1,878,935.00	1,587,968.00
Allowance for doubtful accounts	2,527,079.77	0.00	2,527,079.77	0.00
Reversal of allowance for obsolete products	0.00	(696,536.25)	0.00	(696,536.25)
Impairment loss on investment	0.00	0.00	3,600,000.00	0.00
Unrealized gain(loss) on Exchanges Rates	136,400.08	47,021.31	0.00	0.00
Interest income	(157,239.43)	(234,574.60)	(137,839.43)	(146,840.18)
Dividend income	0.00	0.00	(400,000.00)	0.00
Finance costs	295,488.39	131,274.37	295,488.39	131,274.37
Share of profit of associate and joint venture	2,301,693.94	(924,297.00)	0.00	0.00
	63,303,041.13	36,541,793.33	46,472,247.85	34,134,962.01
(Increase) decrease in changes of operating assets				
Trade and other current receivables	(67,073,119.34)	28,155,305.18	(33,402,337.60)	4,481,596.28
Inventories	26,910,253.53	(8,361,001.41)	8,315,546.46	11,997,755.01
Other current assets	(358,404.25)	1,741,439.42	(785,295.07)	53,162.44
Other non-current assets	0.00	(63,880.00)	0.00	(63,880.00)
Increase (decrease) in changes of operating liabilities				
Trade and other current payables	10,981,578.77	(21,948,279.42)	15,283,901.14	6,758,937.54
Other current liabilities	(4,167,615.88)	(5,055,828.42)	(4,149,127.25)	(2,411,246.11)
Cash generated (paid for) from operations	29,595,733.96	31,009,548.68	31,734,935.53	54,951,287.17
Interest paid	(295,488.39)	(131,274.37)	(295,488.39)	(131,274.37)
Income tax received	0.00	7,098,515.12	0.00	2,670,131.00
Income tax paid	(17,264,001.54)	(19,170,882.80)	(14,251,033.46)	(14,246,847.80)
Net cash provided by (used in) operating activities	12,036,244.03	18,805,906.63	17,188,413.68	43,243,296.00

Notes to financial statements are parts of these financial statements

## TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Cash flows from investing activities				
Payments for acquire of temporary investments	0.00	(1,389,272.00)	0.00	(1,389,272.00)
Proceeds from disposals of temporary investments	555,427.61	1,670,000.00	555,427.61	1,670,000.00
Short-term loans to related parties	0.00	(4,500,000.00)	(700,010.00)	(6,190,600.00)
Cash from short-term loan payment from related parties	4,500,000.00	0.00	4,500,000.00	0.00
Decrease (increase) in bank deposits with obligation	(5,333,299.14)	1,262,814.00	(5,333,299.14)	1,262,814.00
Payments for acquire of available-for-sale investment	(76,000,000.00)	(77,000,000.00)	(66,000,000.00)	(65,000,000.00)
Proceeds from sale of available-for-sale investments	100,402,978.95	94,037,359.00	78,249,902.06	79,498,187.00
Payments for acquire of investment in associate	(14,500,000.00)	(23,000,000.00)	(12,500,000.00)	(23,000,000.00)
Payments for acquire of property, plant and equipment	(1,656,226.51)	(6,322,502.99)	(1,510,542.39)	(5,743,451.86)
Proceeds from disposals of property, plant and equipment	851,295.87	743,458.00	851,295.87	743,458.00
Payments for acquire of computer software	(23,300.00)	(67,490.00)	0.00	(18,900.00)
Dividend income	400,000.00	0.00	400,000.00	0.00
Interest received	157,239.43	213,221.44	137,839.43	124,397.04
Net cash provided by (used in) investing activities	9,354,116.21	(14,352,412.55)	(1,349,386.56)	(18,043,367.82)
Cash flow from financing activities				
Dividend paid	0.00	(35,947,193.34)	0.00	(35,947,193.34)
Finance lease liabilities	(903,059.61)	(2,067,627.63)	(903,059.61)	(2,067,627.63)
Proceeds from increase share capital	45,112.50	0.00	45,112.50	0.00
Proceeds from share capital of subsidiaries	250,100.00	0.00	0.00	0.00
Net cash provided by (used in) financing activities	(607,847.11)	(38,014,820.97)	(857,947.11)	(38,014,820.97)
Increase (decrease) in cash and cash equivalents	20,782,513.13	(33,561,326.89)	14,981,080.01	(12,814,892.79)
Cash and cash equivalents as at January 1	32,144,877.33	65,753,225.53	10,185,306.24	23,000,199.03
Loss on exchange rate of cash and cash equivalents	(136,400.08)	(47,021.31)	0.00	0.00
Cash and cash equivalents as at December 31	52,790,990.38	32,144,877.33	25,166,386.25	10,185,306.24

## Non-cash transactions

Non-cash components for the year ended December 31 as detailed below

Accounts payable - building and equipment	0.00	29,671.00	0.00	29,671.00
Acquire vehicles under financial lease	0.00	4,727,327.00	0.00	4,727,327.00

Notes to financial statements are parts of these financial statements

TV THUNDER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CONDENSED NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

1.1 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.

1.2 The Company's address is registered at 1213/309 - 10 Soi Lardprao 94 (Panjamit) Srivara Road, Phlapphla, Wangthonglang, Bangkok 10310.

1.3 The Company and subsidiaries have engaged in businesses as follows:

1. Television series and variety shows production
2. Advertising services and other sales promotion activities rendering
3. Managing, promoting and producing television programs, music, series and movies
4. Artist management
5. Cosmetics and distribution.

2. PREPARATION OF FINANCIAL STATEMENTS BASIS

2.1 Preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professional (“FAP”), and the Regulation of The Stock Exchange of Thailand (SET) dated 22 January 2001, regarding the preparation and submission of financial statements and reports for the financial position and financial performance of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No. 2) B.E. 2559” dated 11 October 2016.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

2.2 New Financial Reporting Standards

2.2.1 Financial report standards that became effective in the current year

During the year, the Company and subsidiaries have adopted a number of revised financial reporting standards and interpretations (revised 2017) which are effective for the financial statements for the year beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of those financial reporting standards does not have any significant impacts on the Company and subsidiaries' financial statements.

## 2. New Financial Reporting Standards (CONTINUED)

### 2.2.2 Financial reporting standards that will become effective in the future

1) Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2019.

TFRS 15 Revenue from Contracts with Customers, establishes the principles that the information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer, is to be reported to the users of financial statements. The entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity applies a five-step model to account for revenue and exercise judgement, taking into consideration when applying each step of the model.

TFRS 15 Revenue from Contracts with Customers supersedes the Thai Accounting Standards, Thai Standing Interpretations Committee and Thai Financial Reporting Interpretations Committee as detailed below :

#### Thai Accounting Standards

TAS 11 (Revised 2017)	Construction contracts
TAS 18 (Revised 2017)	Revenue

#### Thai Financial Reporting Standards Interpretations

TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers

#### Thai Standing Interpretations Committee

TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
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At present, the Management of the Company and subsidiaries has assessed that there is no impact of the above Thai Financial Reporting Standards on the financial statements which will become effective in the future.

2) Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2020.

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows

#### Thai Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

#### Thai Accounting Standards

TAS 32	Financial Instruments: Presentation
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#### Thai Financial Reporting Standards Interpretations

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

## 2. New Financial Reporting Standards (CONTINUED)

### 2.2.2 Financial reporting standards that will become effective in the future (Continued)

The above set of Thai Financial Reporting Standards (TFRSs) sets out the requirements for the classification and measurement of financial instrument at the fair value or amortized cost by considering from the type of instruments, contractual cash flow characteristics and the entity's business model, including the impairment methodology by using the expected credit loss, and the general hedge accounting, as well as the presentation and disclosures of financial instrument. When this set of TFRSs are effective as a result, some currently effective accounting standards, interpretations and guidance will be cancelled.

At present, the Management of the Company and subsidiaries is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements.

## 3. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS BASIS

3.1 The consolidated financial statements incorporate the financial statements of TV Thunder Public Company Limited and its subsidiaries, control is achieved where the Company has the power to govern the financial and operating policies until the control is ceased as follows :

	Established in	Shareholding percentage (%)		Type of business
		December 31, 2018	December 31, 2017	
Subsidiaries direct				
Creatist Media Co., Ltd.	Thailand	99.99	99.99	Advertising
EM Entertainment Co., Ltd.	Thailand	99.99	99.99	Artist management
Bigbrain Co., Ltd.	Thailand	51.00	51.00	Television programme production
Subsidiaries indirect				
Meraya Co., Ltd.	Thailand	94.99	0.00	Cosmetics and distribution
(held by EM Entertainment Co., Ltd. at 94.998 %)				

3.2 On August 24, 2018, at the Board of directors' meeting No.5/2018, passed the resolution to approve a subsidiary, EM Entertainment Co., Ltd. to expand its business to cosmetics and distributions by investment in Meraya Co., Ltd. in the amount of Baht 4.75 million equivalent to investment proportion at 94.99%.

3.3 The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

3.4 The balance of accounts and transactions between TV Thunder Public Company Limited and its subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Income and Expenses Recognition

4.1.1 Revenues and expenses are recognized on an accrual basis.

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



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 4.1 Income and Expenses Recognition (Continued)

4.1.3 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.

4.1.4 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.

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

4.1.6 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.

4.1.7 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.

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

##### 4.2 Cash and Cash Equivalents

Cash and cash equivalents included cash on hand and at bank of which the maturity is less than three months from the deposit date and without restriction on withdrawal.

##### 4.3 Trade and Other Current Receivables

Trade and other current receivables are stated at the rights to receive amount/invoice amount less allowance for doubtful accounts.

The Company and subsidiaries provided allowance for doubtful accounts by considering the overdue period of the trade receivable from the abilities to repay the debts of each trade receivable.

##### 4.4 Inventory

Residual value of inventories measured by capital price or net realizable value, Whichever is lower are as follows:

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.

##### 4.5 Available-for-sale investments

Available-for-sale 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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 4.5 Available-for-sale investments (Continued)

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.

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.

##### 4.6 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are recorded at cost net of provision for impairment of investment(if any).

##### 4.7 Investment in associates and joint ventures

Investment in associates and joint ventures is investment in an enterprise in which the investor has significant influence but no the power to participate in the financial and operating policy decisions of the investment and is not in control over those policies. Investment in associates and joint ventures are carried at net cost of provision for impairment of investment in the separate financial statements and included share of profit or loss of associates under the equity method in the consolidated financial statements in and recognized share of loss of associates from the investment reported at nil, except the extent that group of company has incurred obligations to satisfy obligations of associates.

##### 4.8 Plant, Property and Equipment

Land is stated at cost less provision for impairment (If any).

Building and equipment are stated at cost less relevant accumulated depreciation and provision for impairment of assets (if any) Cost is included initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company and subsidiaries incur.

Building and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets and depreciation charge has to be determined separately for each significant parts of assets with the cost that is significant in relation to the total cost of asset item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 4.8 Plant, Property and Equipment (Continued)

The estimated useful lives of the assets are as follows :

	Number of years
Land improvements	40
Building improvements	20
Buildings	5 - 40
Office equipment	5
Furniture and fixtures	5
Tools and equipment for television programme production	5
Vehicles	5
Computer equipment	5

Land and assets under construction were not depreciated.

##### 4.9 Computer software

Computer software are stated at cost less accumulated amortization and provision for impairment (If any.). Computer software are amortised over their estimated useful lives, which does not exceed 5 years.

##### 4.10 Goodwill

Goodwill is initial measured at cost which equal to the cost of business combination exceed than fair value of acquisition. If fair value of acquired net assets exceed than cost of business combination will be recognized the excess as gain in profit or loss immediately.

Goodwill is stated at cost less allowance for accumulated impairment (if any) and the impairment will be tested every year or when there is an indication that the assets may be impaired.

##### 4.11. Impairment of Assets

The Company and subsidiaries have assessed the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Company will consider the impairment for each asset item or each assets unit generating cash flows, whichever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company and subsidiaries will recognize an impairment loss in the statements of comprehensive income for the period. The Company and subsidiaries will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

##### 4.12 Transactions in Foreign Currencies

The Company and subsidiaries record its transactions in foreign currencies converting into Thai Baht by using the exchange rate ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same date.

Gains or Loss on exchange rate are taken into income or expense in the results of operation.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 4.13 Financial Instruments

Financial instruments are presented in statements of financial position, consist of cash and cash equivalents, current investment, trade and other receivables, long-term investment, short-term loans from financial institution, trade and other payables, long-term loans and financial lease liabilities. The basis of recognition and measurement of each item is separately disclosed in the related transactions.

##### 4.14 Long-Term Lease

###### 4.14.1 Financial lease

The Company and subsidiaries record vehicles under hire purchase agreement/lease agreement as assets and liabilities in an amount equal to the fair value of the leased assets or the present value of the minimum payments under the agreements. Interest expenses are recorded to each period over the term of the agreement.

###### 4.14.2 Operating lease

The Company and subsidiaries have recorded long-term lease land agreement to be paid over the term of the agreement under operating lease as rental expenses since the inception date in the statements of comprehensive income, amortized on a straight-line basis.

##### 4.15 Provident fund and employee benefits

###### 4.15.1 Provident fund

The Company and subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. Employees paid accumulation, the Company and subsidiaries paid contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in the statements of comprehensive income in the period in which they are incurred.

###### 4.15.2 Employee benefits

The Company and subsidiaries provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position using Projected Unit Credit Method of which calculated by the Independent Actuary by using Actuarial Technique. The calculation was made from determining the present value of future cash flows expected to be required to settle and determines discount rate by reference to market yield of government bonds should have terms to maturity approximately equal to the terms of such obligations. In determine the future cash flows expected to be required to settle is used from employees' salaries, turnover, length of service and other factors. Changes in actuarial gains or losses are recognized in the period in which they are incurred in other comprehensive income. Expenses related to employee benefits shall be recorded in profit or loss for sharing such expenses throughout the period of services rendering.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 4.15 Provident fund and employee benefits (Continued)

###### 4.15.2 Employee benefits (Continued)

On December 13, 2018, the National Legislative Assembly passed the resolution to approve the draft of new Labour Protection Act which determined the additional rate of severance pay in the case of termination of employment for a terminated employee who has worked for 20 consecutive years or more and shall be entitled to receive payment not less than the last rate of wages for 400 days. However, new Labour Protection Act is being announced in the Government Gazette. Therefore, the Company and subsidiaries shall record the effects of new Labour Protection Act when it is effective.

##### 4.16 Income Tax and Deferred Tax

4.16.1 Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income

1) Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2) Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized that it is probable that they will not utilize in the foreseeable future.

4.16.2 Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.

4.16.3 In determining the amount of current and deferred tax, the Company and subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be settled. The Company and subsidiaries believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company and subsidiaries to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.16.4 Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and asset and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company and subsidiaries intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 4.16 Income Tax and Deferred Tax (Continued)

4.16.5 A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

##### 4.17 Provisions

The Company and subsidiaries recognize a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

##### 4.18 Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates.

Significant judgements and estimates are as follows:

###### Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

###### Provision for devaluation of inventories

The determination of provision for devaluation of inventories, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business and provision for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

###### Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 4.18 Significant accounting judgements and estimates (Continued)

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and recognize impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to such assets.

##### Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized by considering the amounts of expected future taxable profit of each period.

##### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

##### Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

##### 4.19 Earnings (Loss) per Share

Earnings (Loss) per share presented in the statements of comprehensive income is the basic earnings (loss) per share which is determined by dividing the net profit (loss) for the year by the number of common shares outstanding at the end of the period.

Diluted earnings per share is calculated by dividing profit (loss) by the weighted average number of ordinary shares issued during the period and the diluted potential ordinary shares issued for conversion to ordinary shares by assuming that ordinary shares conversion to ordinary shares at the end of the year or the potential ordinary shares issued date.



## 5. CASH AND CASH EQUIVALENTS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Cash on hand	164,048.00	453,388.00	114,531.25	361,485.50
Deposits at banks maturity at call	52,626,942.38	31,691,489.33	25,051,855.00	9,823,820.74
Total	52,790,990.38	32,144,877.33	25,166,386.25	10,185,306.24

## 6. CURRENT INVESTMENTS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
12-month fixed deposits	140,715.67	696,143.28	140,715.67	696,143.28
Total	140,715.67	696,143.28	140,715.67	696,143.28

## 7. TRADE AND OTHER CURRENT RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Trade accounts receivable -				
related parties (Note 31.2)	0.00	0.00	8,684,811.73	6,115,562.49
Trade accounts receivable - third parties	118,139,055.92	58,324,264.42	98,495,654.92	41,835,178.54
Less Allowance for doubtful accounts	(5,132,940.37)	(3,488,733.10)	(5,132,940.37)	(3,488,733.10)
Trade accounts receivable, net	113,006,115.55	54,835,531.32	102,047,526.28	44,462,007.93
Other receivables - related parties (Note 31.2)	716,372.50	764,378.58	718,505.73	764,378.58
Other receivables - third parties	1,195,812.74	2,149,666.74	726,847.85	1,241,124.95
Less Allowance for doubtful accounts	(882,872.50)	0.00	(882,872.50)	0.00
Other receivables, net	1,029,312.74	2,914,045.32	562,481.08	2,005,503.53
Accrued income - television program production	12,150,598.81	3,498,391.12	10,553,669.87	3,498,391.12
Accrued income - related parties (Note 31.2)	0.00	21,868.16	578,896.49	4,162,513.14
Prepayments - production cost and others	1,542,144.79	1,912,296.40	1,280,868.92	1,698,999.89
Prepayments - related parties (Note 31.2)	0.00	0.00	2,269,230.80	30,590,000.00
Total other current receivables	13,692,743.60	5,432,555.68	14,682,666.08	39,949,904.15
Total trade and other current receivables	127,728,171.89	63,182,132.32	117,292,673.44	86,417,415.61

## 7. TRADE AND OTHER CURRENT RECEIVABLES (CONTINUED)

Trade accounts receivable are separated by aging as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Within credit term	43,364,488.51	54,302,482.47	47,342,702.06	43,928,959.08
Overdue				
- Less than 3 months	69,507,415.07	287,830.39	54,570,612.25	287,830.39
- Over 3 - 6 months	0.00	160,500.00	0.00	160,500.00
- Over 6 - 12 months	382,800.00	561,750.00	382,800.00	561,750.00
- Over 12 months	4,884,352.34	3,011,701.56	4,884,352.34	3,011,701.56
Total	118,139,055.92	58,324,264.42	107,180,466.65	47,950,741.03
Less Allowance for doubtful accounts	(5,132,940.37)	(3,488,733.10)	(5,132,940.37)	(3,488,733.10)
Net	113,006,115.55	54,835,531.32	102,047,526.28	44,462,007.93

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.

## 8. INVENTORIES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Television programme under production	27,074,422.54	53,919,336.12	24,932,902.05	32,433,161.36
Books and CDs	47,438.63	18,975.41	47,438.63	18,975.41
Cosmetic	736,344.00	0.00	0.00	0.00
Other inventories	1,790,121.61	2,620,268.78	1,776,518.41	2,620,268.78
Total	29,648,326.78	56,558,580.31	26,756,859.09	35,072,405.55

## 9. OTHER CURRENT ASSETS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Receivable - Revenue Department	42,737,997.25	34,349,190.54	31,756,841.79	24,004,968.26
Deposits	515,500.00	313,188.14	495,500.00	298,188.14
Others	1,347,793.85	1,266,388.03	1,219,278.92	631,295.71
Total	44,601,291.10	35,928,766.71	33,471,620.71	24,934,452.11

#### 10. BANK DEPOSITS WITH OBLIGATION

The Company used its fixed deposits amount of Baht 6,164,299.14 (As at December 31, 2017, amount of Baht 831,000.00) as collateral for bank guarantees for normal business purposes (Note 34).

#### 11. AVAILABLE-FOR-SALE INVESTMENTS

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Beginning balance	59,104,686.29	75,443,909.87	47,084,385.00	61,075,763.24
Additions	76,000,000.00	77,000,000.00	66,000,000.00	65,000,000.00
Disposals	(99,909,341.11)	(93,120,141.37)	(77,909,341.11)	(78,995,136.61)
Changes in fair value of available-for-sale	35,102.82	(219,082.21)	55,404.11	3,758.37
Ending balance	<u>35,230,448.00</u>	<u>59,104,686.29</u>	<u>35,230,448.00</u>	<u>47,084,385.00</u>

As at December 31, 2018 and 2017, fair value of available-for-sale investments are as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Cost	35,095,522.27	59,004,863.38	35,095,522.27	47,004,863.38
Unrealized gain	134,925.73	99,822.91	134,925.73	79,521.62
Total	<u>35,230,448.00</u>	<u>59,104,686.29</u>	<u>35,230,448.00</u>	<u>47,084,385.00</u>

Available-for-sale investments represent investments in mutual funds as administrated by a financial institution.

Fair value of available-for-sale investments are based on Net Asset Value (NAV) announced by the Asset Management Company.

Fair values are classified in level 2 of fair value hierarchy.

## 12. INVESTMENT IN ASSOCIATE

Name of associates	Nature of business	Relationship	Paid-up share capital		Shareholding percentage		Consolidated financial statements (Baht)		Separate financial statements (Baht)		Dividend (Baht)	
			(Million Baht)		(%)		Equity method		Cost method			
			December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Moindy Digital Co., Ltd.	Video management on advertising media	Associated company and common	5.00	4.75	40.00	36.84	28,312,399.51	20,853,256.44	27,000,000.00	20,500,000.00	400,000.00	0.00
Total							28,312,399.51	20,853,256.44	27,000,000.00	20,500,000.00	400,000.00	0.00

On May 9, 2017, the Board of directors' Meeting No.2/2017 of the Company approved the investment in Moindy Digital Co., Ltd. by investing in 10,000 ordinary shares at par value of Baht 100 each on the date of incorporation and from the aforementioned approval, the Company has additionally invested in 5,000, 2,500 and 2,500 at par value of Baht 2,600 each on May 31, 2017, November 30, 2017 and May 31, 2018 respectively. Total investment amounted to Baht 27.00 million or equivalent to investment proportion at 40% which paid-up in full for total subscribed shares in May 2018.

In 2018, the Company entered into Term Sheet with Any Mind Group Limited which is incorporated in Singapore. The Company agreed to sell share capital of Moindy Digital Co., Ltd. for 10,200 shares or equal to 20.40% to Any Mind Group Limited at the price approximately Baht 26.61 million and Term Sheet required the selling of share capital is to be completed in April 2019

As at December 31, 2018, the Company recorded investments in Moindy Digital Co., Ltd. by using equity method in the consolidated financial statements which were not audited by the auditor. Investments value under equity method is Baht 28.31 million and for the year December 31, 2018 had share of profit amount of Baht 1.36 million.

Summary of financial information of associates are as follows :

	(Unit : Million Baht)							
	Total assets		Total liabilities		Total revenue for the nine-month periods		Total comprehensive income (expense) for the nine-month periods	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Moindy Digital Co., Ltd.	51.92	37.61	18.34	13.02	73.44	26.04	3.47	1.12

### 13. INVESTMENT IN SUBSIDIARIES

Name of subsidiaries	Type of business	Paid-up share capital		Shareholding percentage		Separate financial statements (Baht)	
		(Million Baht)		(%)		Cost method	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Creatist Media Co., Ltd.	Advertising	10.00	10.00	99.99	99.99	26,462,547.13	26,462,547.13
EM Entertainment Co., Ltd.	Artist management	10.00	10.00	99.99	99.99	9,876,910.24	9,876,910.24
Bigbrain Co., Ltd.	Television programme production	8.00	8.00	51.00	51.00	4,080,000.00	4,080,000.00
Total investments in subsidiaries						40,419,457.37	40,419,457.37
<u>Less</u> Allowance for impairment						(2,920,661.55)	(2,920,661.55)
Investments in subsidiaries - net						37,498,795.82	37,498,795.82

#### Share resale right of Bigbrain Co., Ltd.

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.

#### 14. INVESTMENTS IN JOINT VENTURES

Name of			Paid-up share capital		Shareholding percentage		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
joint ventures company	Type of business	Relationship	(Million Baht)		(%)		Equity method		Cost method	
			December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Direct joint ventures										
Triple S Interactive Co., Ltd.	Online game and software development for online game	Associated company and common	17.00	5.00	50.00	50.00	4,898,086.50	3,071,041.00	8,500,000.00	2,500,000.00
							4,898,086.50	3,071,041.00	8,500,000.00	2,500,000.00
	Less provision for impairment of investments						0.00	0.00	(3,600,000.00)	0.00
	Net						4,898,086.50	3,071,041.00	4,900,000.00	2,500,000.00
Indirect joint ventures										
STRATUP STAR	reality show	Indirect	4.00	0.00	50.00	0.00	2,512,117.49	0.00	0.00	0.00
Joint Venture	production	joint ventures					2,512,117.49	0.00	0.00	0.00
	Total investment in joint ventures						7,410,203.99	3,071,041.00	4,900,000.00	2,500,000.00

14.1 On July 2, 2018, the Company has additionally invested in Triple S Interactive Co., Ltd. by investing in 60,000 ordinary shares of Baht 100 each, amounting to Baht 6 million which equal to the another shareholder. Total investment is to Baht 8.50 million equivalent to investment proportion at 50.00%. The Company has paid for total share capital in July 2018 already.

Triple S Interactive Co., Ltd. is deemed as a joint venture of the Group and was not included in the consolidated financial statements preparation. TV Thunder Public Company Limited and another shareholder have the equality proportion of shareholding at 50% of Triple S Interactive Co., Ltd. Any parties have no a power to control over that company and each party have to assigned the persons not exceed two persons as representative to the Board of directors. Every meeting of the Board of directors that the number of directors may fix the quorum at the meeting, shall be exceeds a half and the resolution of the shareholders' meeting will pass by majority voting

As at December 31, 2018, the Company recorded investments in Triple S Interactive Co., Ltd. by using equity method in the consolidated financial statements which were not audited by the auditor. Investments value under equity method is Baht 4.90 million and for the year December 31, 2018 had share of loss amount of Baht 4.17 million.

14.2 On July 18, 2017, at the Board of directors' meeting No.5/2017 passed the resolution to approve EM Entertainment Co., Ltd., the Company's subsidiary to jointly invest in STARTUP STARS in order to operate in business of television program production in the amount of Baht 2 million or equal to 50% of proportion of investment. Such joint venture was established accordance with the covenants dated September 12, 2017, relating to the jointly television program production and the Company has already made the payment in investment amount in April 2018.

STARTUP STAR JOINT VENTURE is deemed as a joint venture of the Group and was not included in the consolidated financial statements preparation. TV Thunder Public Company Limited has indirectly proportion of shareholding at 50% of STARUP STAR JOINT VENTURE which equal to another shareholders. Any parties have no a power to control over that company and each party have to assigned the persons not exceed two persons as representative to the Board of directors. Every meeting of the Board of directors that the number of directors may fix the quorum at the meeting, shall be exceeds a half and the resolution of the shareholders' meeting will pass by the majority voting

## 15. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements									
	Land	Land and buildings improvements	Buildings	Office equipment	Furniture and fixtures	Tools and equipment for television programme production	Vehicles	Computers	Total
	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)
Cost									
As at December 31, 2017	166,918,773.50	21,429,135.22	295,022,649.12	22,238,116.38	7,690,644.32	23,265,467.94	22,120,466.79	11,179,362.78	569,864,616.05
Acquisition	-	-	-	988,018.16	295,037.50	44,940.00	-	328,230.85	1,656,226.51
Disposal or amortization	-	-	-	(618,982.04)	(54,074.87)	(2,170,970.17)	(2,157,906.54)	(269,276.83)	(5,271,210.45)
As at December 31, 2018	166,918,773.50	21,429,135.22	295,022,649.12	22,607,152.50	7,931,606.95	21,139,437.77	19,962,560.25	11,238,316.80	566,249,632.11
Accumulated depreciation									
As at December 31, 2017	-	11,443,498.95	57,177,851.72	14,788,808.80	6,334,706.56	22,039,308.39	15,714,007.76	9,000,528.25	136,498,710.43
Depreciation	-	796,344.51	7,084,483.00	2,553,416.84	402,652.78	392,475.81	1,394,199.25	1,376,739.34	14,000,311.53
Disposal	-	-	-	(609,828.48)	(54,046.87)	(2,170,569.89)	(2,154,636.71)	(269,250.83)	(5,258,332.78)
As at December 31, 2018	-	12,239,843.46	64,262,334.72	16,732,397.16	6,683,312.47	20,261,214.31	14,953,570.30	10,108,016.76	145,240,689.18
Allowance for devaluation									
As at December 31, 2017	6,946,575.00	-	775,981.32	-	-	-	-	-	7,722,556.32
Increase	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-
As at December 31, 2018	6,946,575.00	-	775,981.32	-	-	-	-	-	7,722,556.32
Net book value									
As at December 31, 2017	159,972,198.50	9,985,636.27	237,068,816.08	7,449,307.58	1,355,937.76	1,226,159.55	6,406,459.03	2,178,834.53	425,643,349.30
As at December 31, 2018	159,972,198.50	9,189,291.76	229,984,333.08	5,874,755.34	1,248,294.48	878,223.46	5,008,989.95	1,130,300.04	413,286,386.61

Depreciation for the year ended December 31, 2018 and 2017, amount of Baht 14.00 million and Baht 16.16 million respectively.

At 31 December 2018, the Company pledged part of land and building at net book value of Baht 30.04 million as collateral for bank overdraft and credit facilities obtained from a financial institution (Note 30).



## 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Consolidated financial statements								
	Land	Land and buildings improvements	Buildings	Office equipment	Furniture and fixtures	Tools and equipment for television programme production	Vehicles	Computers	Total
	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)
Cost									
As at December 31, 2016	166,918,773.50	21,278,812.21	295,022,649.12	21,658,479.63	7,286,711.60	24,133,197.81	19,899,187.57	11,273,887.08	567,471,698.52
Acquistion	-	150,323.01	-	841,507.87	557,433.23	368,082.22	6,987,335.95	611,565.70	9,516,247.98
Disposal or amortization	-	-	-	(261,871.12)	(153,500.51)	(1,235,812.09)	(4,766,056.73)	(706,090.00)	(7,123,330.45)
As at December 31, 2017	166,918,773.50	21,429,135.22	295,022,649.12	22,238,116.38	7,690,644.32	23,265,467.94	22,120,466.79	11,179,362.78	569,864,616.05
Accumulated depreciation									
As at December 31, 2016	-	10,816,107.08	48,747,709.54	12,075,487.39	5,982,045.98	22,293,027.67	19,521,260.96	8,025,381.16	127,461,019.78
Depreciation	-	627,391.87	8,430,142.18	2,971,655.82	505,257.39	982,066.81	958,800.53	1,681,190.09	16,156,504.69
Disposal	-	-	-	(258,334.41)	(152,596.81)	(1,235,786.09)	(4,766,053.73)	(706,043.00)	(7,118,814.04)
As at December 31, 2017	-	11,443,498.95	57,177,851.72	14,788,808.80	6,334,706.56	22,039,308.39	15,714,007.76	9,000,528.25	136,498,710.43
Allowance for devaluation									
As at December 31, 2016	6,946,575.00	-	775,981.32	-	-	-	-	-	7,722,556.32
Increase	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-
As at December 31, 2017	6,946,575.00	-	775,981.32	-	-	-	-	-	7,722,556.32
Net book value									
As at December 31, 2016	159,972,198.50	10,462,705.13	245,498,958.26	9,582,992.24	1,304,665.62	1,840,170.14	377,926.61	3,248,505.92	432,288,122.42
As at December 31, 2017	159,972,198.50	9,985,636.27	237,068,816.08	7,449,307.58	1,355,937.76	1,226,159.55	6,406,459.03	2,178,834.53	425,643,349.30

## 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Separate financial statements								
		Land and buildings improvements	Buildings	Office equipment	Furniture and fixtures	Tools and equipment for television programme production	Vehicles	Computers	Total
	Land (Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)
Cost									
As at December 31, 2017	166,918,773.50	21,429,135.22	294,185,299.12	21,974,258.98	7,436,536.25	22,111,346.03	18,811,466.79	9,715,386.72	562,582,202.61
Acquistion	-	-	-	961,576.10	295,037.50	44,940.00	-	208,988.79	1,510,542.39
Disposal or amortization	-	-	-	(581,343.72)	(54,074.87)	(2,170,970.17)	(2,157,906.54)	(269,276.83)	(5,233,572.13)
As at December 31, 2018	166,918,773.50	21,429,135.22	294,185,299.12	22,354,491.36	7,677,498.88	19,985,315.86	16,653,560.25	9,655,098.68	558,859,172.87
Accumulated depreciation									
As at December 31, 2017	-	11,443,498.95	56,996,158.23	14,680,742.88	6,285,611.90	21,776,339.08	12,405,008.76	8,298,860.75	131,886,220.55
Depreciation	-	628,874.51	7,084,483.00	2,505,606.38	351,833.21	161,319.42	1,394,199.25	920,895.64	13,047,211.41
Disposal	-	-	-	(575,488.83)	(54,046.87)	(2,170,569.89)	(2,154,636.71)	(269,250.83)	(5,223,993.13)
As at December 31, 2018	-	12,072,373.46	64,080,641.23	16,610,860.43	6,583,398.24	19,767,088.61	11,644,571.30	8,950,505.56	139,709,438.83
Allowance for devaluation									
As at December 31, 2017	6,946,575.00	-	775,981.32	-	-	-	-	-	7,722,556.32
Increase	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-
As at December 31, 2018	6,946,575.00	-	775,981.32	-	-	-	-	-	7,722,556.32
Net book value									
As at December 31, 2017	159,972,198.50	9,985,636.27	236,413,159.57	7,293,516.10	1,150,924.35	335,006.95	6,406,458.03	1,416,525.97	422,973,425.74
As at December 31, 2018	159,972,198.50	9,356,761.76	229,328,676.57	5,743,630.93	1,094,100.64	218,227.25	5,008,988.95	704,593.12	411,427,177.72

Depreciation for the year ended December 31, 2018 and 2017, amount of Baht 13.05 million and Baht 14.95 million respectively.

At 31 December 2018, the Company pledged part of land and building at net book value of Baht 30.04 million as collateral for bank overdraft and credit facilities obtained from a financial institution (Note 30).

## 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Separate financial statements								
	Land	Land and improvements	Buildings	Office equipment	Furniture and fixtures	Tools and equipment for television programme production	Vehicles	Computers	Total
	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)
Cost									
As at December 31, 2016	166,918,773.50	21,278,812.21	294,185,299.12	21,402,169.89	7,166,228.76	23,244,043.92	16,590,187.57	9,978,810.27	560,764,325.24
Acquisition	-	150,323.01	-	829,949.93	423,808.00	103,114.20	6,987,335.95	442,666.45	8,937,197.54
Disposal or amortization	-	-	-	(257,860.84)	(153,500.51)	(1,235,812.09)	(4,766,056.73)	(706,090.00)	(7,119,320.17)
As at December 31, 2017	166,918,773.50	21,429,135.22	294,185,299.12	21,974,258.98	7,436,536.25	22,111,346.03	18,811,466.79	9,715,386.72	562,582,202.61
Accumulated depreciation									
As at December 31, 2016	-	10,816,107.08	48,733,486.06	12,019,443.78	5,972,105.94	22,239,643.37	16,538,628.12	7,730,297.25	124,049,711.60
Depreciation		627,391.87	8,262,672.17	2,916,083.84	466,102.77	772,481.80	632,434.37	1,274,606.50	14,951,773.32
Disposal				(254,784.74)	(152,596.81)	(1,235,786.09)	(4,766,053.73)	(706,043.00)	(7,115,264.37)
As at December 31, 2017	-	11,443,498.95	56,996,158.23	14,680,742.88	6,285,611.90	21,776,339.08	12,405,008.76	8,298,860.75	131,886,220.55
Allowance for devaluation									
As at December 31, 2016	6,946,575.00	-	775,981.32	-	-	-	-	-	7,722,556.32
Increase	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-
As at December 31, 2017	6,946,575.00	-	775,981.32	-	-	-	-	-	7,722,556.32
Net book value									
As at December 31, 2016	159,972,198.50	10,462,705.13	244,675,831.74	9,382,726.11	1,194,122.82	1,004,400.55	51,559.45	2,248,513.02	428,992,057.32
As at December 31, 2017	159,972,198.50	9,985,636.27	236,413,159.57	7,293,516.10	1,150,924.35	335,006.95	6,406,458.03	1,416,525.97	422,973,425.74

# 16. COMPUTER SOFTWARE

	Consolidated financial statements (Baht)	Separate financial statements (Baht)
Cost		
As at December 31, 2016	4,840,679.83	4,811,007.41
Acquisition	67,490.00	18,900.00
Amortization	(134,600.00)	(134,600.00)
As at December 31, 2017	4,773,569.83	4,695,307.41
Acquisition	23,300.00	0.00
Amortization	(59,800.00)	(59,800.00)
As at December 31, 2018	4,737,069.83	4,635,507.41
Accumulated amortization		
As at December 31, 2016	3,208,167.91	3,197,649.78
Write off	534,334.84	528,191.75
Amortization	(134,576.00)	(134,576.00)
As at December 31, 2017	3,607,926.75	3,591,265.53
Write off	389,046.35	368,870.54
Amortization	(59,795.00)	(59,795.00)
As at December 31, 2018	3,937,178.10	3,900,341.07
Net book value		
As at December 31, 2017	1,165,643.08	1,104,041.88
As at December 31, 2018	799,891.73	735,166.34

Amortization expenses for the year ended December 31, 2018 and 2017, amount of Baht 0.39 million and Baht 0.53 million respectively. (Amount of Baht 0.37 million and Baht 0.53 million respectively in separate financial statements.)

## 17. GOODWILL

	Consolidated financial statements (Baht)	Separate financial statements (Baht)
Opening balance	6,802,316.01	-
Increase (Decrease)	-	-
Closing balance	6,802,316.01	-

## 18. Deferred income tax

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Deferred tax assets				
Allowance for doubtful accounts	1,203,162.57	697,746.62	1,203,162.57	697,746.62
Allowance for diminution in value of land and buildings	1,544,511.26	1,544,511.26	1,544,511.26	1,544,511.26
Employee benefit obligations	3,736,605.00	3,283,796.60	3,563,318.00	3,187,531.00
Allowance for impairment investments in subsidiaries	0.00	578,396.48	584,132.31	578,396.48
Allowance for impairment investments in associate	0.00	0.00	720,000.00	0.00
Financial lease liabilities	136,830.90	45,644.64	136,830.90	45,644.64
Total	6,621,109.73	6,150,095.60	7,751,955.04	6,053,830.00
Deferred tax liabilities				
Unrealized gain on investments in - available-for-sale securities	(26,985.13)	(19,964.57)	(26,985.14)	(15,904.32)
Employee benefit obligations	(413,068.00)	(107,074.80)	(413,068.00)	(107,074.80)
Total	(440,053.13)	(127,039.37)	(440,053.14)	(122,979.12)
Deferred income tax - net	6,181,056.60	6,023,056.23	7,311,901.90	5,930,850.88

## 19. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Trade accounts payable - others	40,735,723.70	36,039,031.21	39,583,036.21	35,818,050.37
Trade accounts payable - related person and parties (Note 31.2)	0.00	107,000.00	2,437,449.70	272,636.00
Other payables - others	42,276.79	49,515.75	1,500.00	23,738.00
Other payables - related person and parties (Note 31.2)	166,663.43	0.00	354,482.68	105,000.00
Accrued rebates for advertising agencies	743,770.83	724,055.60	743,770.83	724,055.60
Other accrued expenses	15,139,772.74	8,927,026.16	13,552,328.55	4,445,186.86
Total	<u>56,828,207.49</u>	<u>45,846,628.72</u>	<u>56,672,567.97</u>	<u>41,388,666.83</u>

## 20. OTHER CURRENT LIABILITIES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Value-added tax payables	1,673,386.37	1,145,658.34	1,446,293.71	1,145,658.34
Withholding tax payables	3,312,217.41	2,527,573.23	2,469,234.38	1,757,552.35
Deferred revenues for event production	2,905,000.00	7,936,094.79	2,830,000.00	7,531,515.35
Other current liabilities	305,341.70	754,235.00	262,575.70	722,505.00
Total	<u>8,195,945.48</u>	<u>12,363,561.36</u>	<u>7,008,103.79</u>	<u>11,157,231.04</u>

## 21. FINANCIAL LEASE LIABILITIES

The minimum amounts to be paid under financial lease are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Within 1 year	1,198,548.00	1,198,548.00	1,198,548.00	1,198,548.00
Over 1 year not over 5 years	3,128,670.00	4,327,218.00	3,128,670.00	4,327,218.00
Total	4,327,218.00	5,525,766.00	4,327,218.00	5,525,766.00
Less Future interest of financial lease	(502,950.56)	(798,438.95)	(502,950.56)	(798,438.95)
Present value of financial lease liabilities	3,824,267.44	4,727,327.05	3,824,267.44	4,727,327.05

Financial lease liabilities excluded future interest expenses are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Financial lease liabilities	3,824,267.44	4,727,327.05	3,824,267.44	4,727,327.05
Less Current portion of financial lease liabilities	(966,829.62)	(903,061.61)	(966,829.62)	(903,061.61)
Financial lease liabilities - net	2,857,437.82	3,824,265.44	2,857,437.82	3,824,265.44

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Vehicles	6,794,954.68	6,794,954.68	6,794,954.68	6,794,954.68
Less Accumulated depreciation	(1,922,913.73)	(563,922.84)	(1,922,913.73)	(563,922.84)
Total	4,872,040.95	6,231,031.84	4,872,040.95	6,231,031.84

## 22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The Company paid post-employment benefits, retirement benefits and pensions in accordance with Labor Protection Act B.E. 2541. Employee is entitled the retirement benefits and other long-term benefits based on right and length of service.

Changes in present value of employee benefits obligations

	Consolidated financial statements (Baht)	Separate financial statements (Baht)
Beginning balance as at January 1, 2018	15,883,609.00	15,402,281.00
Current cost of service and interest	2,090,095.00	1,878,935.00
Actuarial loss (gain) on defined employee benefit plan	(1,356,019.00)	(1,529,966.00)
Ending balance as at December 31, 2018	16,617,685.00	15,751,250.00

Provisions for employee benefits to be paid in accordance the period as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Obligations to be paid within 1 year	0.00	0.00	0.00	0.00
Obligations to be paid over 1 year	16,617,685.00	15,883,609.00	15,751,250.00	15,402,281.00
Total	16,617,685.00	15,883,609.00	15,751,250.00	15,402,281.00

Actuarial gains (losses) recognized in other comprehensive income:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2561	2560	2561	2560
Included in other components of equity				
As at January 1	(264,849.00)	(535,374.00)	(535,374.00)	(535,374.00)
Recognized during the year	(1,356,019.00)	0.00	(1,529,966.00)	0.00
As at December 31	(1,620,868.00)	(535,374.00)	(2,065,340.00)	(535,374.00)



## 22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT (CONTINUE)

Actuarial gains and (losses) recognized in other comprehensive income arising from:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2561	2560	2561	2560
Financial assumptions	202,304.00	0.00	179,745.00	0.00
Demographic assumptions	601,718.00	0.00	451,021.00	0.00
Experience adjustment	(2,160,041.00)	0.00	(2,160,732.00)	0.00
Total	(1,356,019.00)	0.00	(1,529,966.00)	0.00

The principal actuarial assumptions used were as follows :

	Consolidated financial statements (%)		Separate financial statements (%)	
	2561	2560	2561	2560
Discount Rate	2.24 - 3.36	2.33 - 3.41	2.24	2.33
Salary increase rate	5.00	5.00	5.00	5.00
Mortality	TMO 2017	TMO 2008	TMO 2017	TMO 2008
Employee turnover	3.50 - 32.00	0.00 - 36.00	3.50 - 32.00	0.00 - 36.00
Retirement age	60 years	60 years	60 years	60 years

## 22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT (CONTINUE)

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements (Baht)	Separate financial statements (Baht)
Defined benefit obligation as at December 31, 2018		
Discount rate (0.5% movement)	(589,310.00)	(514,874.00)
Discount rate (0.5% movement)	637,579.00	554,512.00
Future salary growth (0.5% movement)	589,463.00	509,216.00
Future salary growth (0.5% movement)	(549,730.00)	(476,910.00)
Mortality rate ( 0.5% movement )	(3,630.00)	(3,266.00)
Mortality rate ( 0.5% movement )	3,630.00	3,266.00
Turnover rate ( 10% movement )	(558,023.00)	(464,736.00)
Turnover rate ( 10% movement )	604,505.00	499,290.00

As stated in note 4.15.2 to financial statements, the Company and subsidiaries shall record the effects of new Labour Protection Act when it is announced in in the Government Gazette which may be effective in 2019. The Company expects that the additional employee benefits to be paid amount of Baht 5.14 milion in consolidated financial statements and Baht 4.90 milio in separate financial statements

## 23. SHARE CAPITAL

### Reconciliation of ordinary shares

	Registered ordinary shares		Issued and paid-up ordinary shares		
	Number of share (Share)	Amount (Baht)	Number of share (Share)	Paid-up share capital (Baht)	Share premium (Baht)
As at January 1, 2018	1,000,000,000	250,000,000.00	800,000,000	200,000,000.00	331,641,290.00
Share capital increased	-	-	-	-	-
Increase from exercised of warrants	-	-	30,075	7,518.75	37,593.75
As at December 31, 2018	1,000,000,000	250,000,000.00	800,030,075	200,007,518.75	331,678,883.75

On May 16, 2018, the Company passed the resolution to increase its registered share capital from Baht 200,000,000.00 to Baht 200,007,518.75 by exercising of warrants to purchase ordinary shares TVT-W1 for 30,075 shares of Baht 0.25 each in the price of Baht 1.50 each. The Company has received the payment for such share capital and registered the changs in paid-up share capital with the Ministry of Commerce on May 23, 2018.

## 24. WARRANTS TO PURCHASE ORDINARY SHARE

### Warrants to purchase ordinary shares TVT-W1

On May 17, 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 April 25, 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 (non-offering price)
Exercise ratio	: 1 unit per 1 ordinary share
Exercise price	: Baht 1.50 per share
Exercise dates	: June 30, 2017, December 29, 2017 and May 16, 2018
Last exercise date	: May 16, 2018

The movement of warrants to purchase ordinary shares for the year ended December 31, 2018, is as follows:

	Consolidated and Separate financial statements
	TVT-W1 (Warrants)
Opening balance	199,999,976
Warrants issued during the period	(30,075)
Closing balance	199,969,901

As at December 31, 2018, the Company had unutilised warrants TVT-W1 which already expired 199,969,901 units

## 25. LEGAL RESERVE

	Consolidated and Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017
Opening balance	9,663,990.98	8,890,687.53
Appropriation during the year	1,083,687.01	773,303.45
Closing balance	10,747,677.99	9,663,990.98

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 reach an amount not less than 10% of the registered cap. This legal reserve is not available for dividend distribution.

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

## 26. EXPENSES BY NATURE

The certain expenses included in the calculation of profit before finance costs and tax expense can be separated by nature as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Television station rental	57,189,835.29	54,614,250.00	65,803,349.83	43,614,250.00
Master of ceremonies wages	50,558,287.97	42,659,538.58	50,584,687.97	42,806,418.58
Television series and drama production expenses	234,954,329.46	183,649,289.05	240,122,319.01	174,578,139.05
Employee benefit expenses	100,595,774.58	97,175,824.75	80,381,252.97	79,212,120.48
Depreciation (Note 15)	13,015,887.37	16,156,503.69	12,498,454.14	14,951,773.32
Amortization (Note 16)	1,376,739.34	534,334.84	920,895.64	528,191.75
Reversal of allowance for obsolete products	0.00	(696,536.25)	0.00	(696,536.25)

## 27. INCOME TAX

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
For the year ended December 31				
Current tax:				
Income tax for the period	(8,949,881.40)	(4,301,281.19)	(6,499,159.93)	(3,260,730.53)
Deferred tax:				
Deferred tax from temporary differences and reversal of temporary differences	436,224.73	(261,405.53)	1,698,125.04	(294,761.13)
Tax income (expenses) presented in statements of comprehensive income	(8,513,656.67)	(4,562,686.72)	(4,801,034.89)	(3,555,491.66)

Reconciliation between income tax expenses and multiplication of taxable profit and tax rate for the years ended

December 31, 2018 and 2017, can be presented as follow :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Profit before income tax	43,052,216.54	21,429,455.45	26,474,774.99	19,021,559.20
Income tax rate	20%	20%	20%	20%
Taxable profit before income tax multiply with tax rate	8,610,443.31	4,285,891.09	5,294,955.00	3,804,311.84
Taxable effects for :				
Prohibited expenses	2,209,900.98	529,820.00	2,047,244.27	344,765.33
Other income which accounting base differ from tax base	(1,160,062.07)	(184,859.45)	(1,698,125.04)	0.00
Taxable exemption				
Additional expenses deductible for tax purposes	(889,694.22)	(776,284.29)	(843,039.33)	(593,585.51)
Deficit for the year with unutilized	(256,931.34)	708,119.37	0.00	0.00
Total	8,513,656.67	4,562,686.72	4,801,034.89	3,555,491.66
Income tax expenses (income) presented in statements of comprehensive income	8,513,656.67	4,562,686.72	4,801,034.89	3,555,491.66
Effective income tax rate	19.78%	21.29%	18.13%	18.69%

## 28. 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 year.

Diluted earnings per share is calculated by 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 in the warrants which were issued to the existing shareholders of the Company (Note 24). In calculation of basic earnings per share, dilutive potential ordinary shares are arose from warrants to purchase ordinary shares. The Company has the 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 held by the individuals in the calculation of diluted earnings per share. No adjustment is made to net profit.

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
For the year ended December 31				
Profit attributable to the Company (Baht)	32,264,293.06	19,384,954.73	22,942,036.19	15,466,067.54
Weighted average number of				
ordinary shares (Share)	800,018,951	800,000,000	800,018,951	800,000,000
Weighted average number of ordinary shares				
to be issued for warrants - TVT-W1 (Share)	0	13,664,595	0	13,664,959
Weighted average number of ordinary shares				
including diluted ordinary shares (Share)	800,018,951	813,664,595	800,018,951	813,664,959
Basic earnings per share (Baht)	0.0403	0.0242	0.0287	0.0193
Diluted earnings per share (Baht)	0.0403	0.0238	0.0287	0.0190

As at 31 December 2018, the Company had unutilised warrants TVT-W1 which already expired on May 16, 2018

## 29. DIVIDEND

According to the resolution of the General Meeting of the shareholders on April 25, 2017, passed to pay dividend from the net profit for the year 2016 at Baht 0.045 per share for 800 million shares, amounting to Baht 36 million which was paid to the shareholders on May 24, 2017.

## 30. CREDIT FACILITIES

The Company has the following unused credit facilities:

	Consolidated and Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017
Bank overdrafts	17,000,000.00	17,000,000.00
Promissory notes	20,000,000.00	20,000,000.00

### 31. TRANSACTION WITH RELATED PERSON AND PARTIES

The Company's assets, liabilities, revenues and expenses arose from the transaction with related persons and parties.

Those transactions are determined on the basis of the Company concerned and in the normal course of business.

#### 28.1 General information

<u>Name/Related persons and parties</u>	<u>Relationship</u>	<u>Description</u>	<u>Pricing policy</u>
<u>Related Persons</u>			
Mr. Jetsada Osatalert	Director of subsidiary	Cost of advertising	At the price applicable to other customers
Mr. Phusit Laithong	Director	Cost of advertising	At the price applicable to other customers
<u>Subsidiaries</u>			
Creatist Media Co., Ltd.	Subsidiary	Revenue from advertising	At the price applicable
		Revenue from services	to other customers
		Cost of advertising	
EM Entertainment Co., Ltd.	Subsidiary	Cost of artist management	At the price applicable to other customers
Bigbrain Co., Ltd.	Subsidiary	Lending	At the interest rate of
		Revenue from services	1.38% per annum
Meraya Co., Ltd.	Indirect subsidiaries	Cosmetics and distribution	-
<u>Associates</u>			
Moindy Digital Co., Ltd.	Common shareholders and directors	Cost of online advertising	At the price applicable to other customers
<u>Joint Venture</u>			
Triple S Interactive Co., Ltd.	Common shareholders and directors	Lending	At the interest rate of 1.38% per annum
STARTUP STARS Joint Venture	Indirect joint venture and common directors	Trade accounts receivable	-
<u>Other related parties</u>			
Bigbrain Creation Co., Ltd.	Subsidiaries have common shareholders and directors	Trade accounts receivable	-



### 31. TRANSACTION WITH RELATED PERSON AND PARTIES (CONTINUED)

31.2 Assets and liabilities transaction with related persons and parties consist of :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Trade and other current receivables				
Creatist Media Co., Ltd.	0.00	0.00	9,260,108.22	10,255,562.49
Bigbrain Co., Ltd.	0.00	0.00	2,274,964.03	30,590,644.98
Bigbrain Creation Co., Ltd.	714,372.50	764,378.58	714,372.50	764,378.58
Triple S Interactive Co., Ltd.	2,000.00	21,868.16	2,000.00	21,868.16
Total	<u>716,372.50</u>	<u>786,246.74</u>	<u>12,251,444.75</u>	<u>41,632,454.21</u>
Short-term loans				
Bigbrain Co., Ltd.	0.00	0.00	2,390,610.00	1,690,600.00
Triple S Interactive Co., Ltd.	0.00	4,500,000.00	0.00	4,500,000.00
Total	<u>0.00</u>	<u>4,500,000.00</u>	<u>2,390,610.00</u>	<u>6,190,600.00</u>

Increase and decrease of short-term loans for the year ended December 31, 2018, as follows :

	Consolidated financial statements (Baht)	Separate financial statements (Baht)
Beginning balance	4,500,000.00	6,190,600.00
Additions during the year	0.00	700,010.00
Repayments during the year	(4,500,000.00)	(4,500,000.00)
Ending balance	<u>0.00</u>	<u>2,390,610.00</u>

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Trade and other current payables				
Creatist Media Co., Ltd.	0.00	0.00	2,307,449.70	0.00
EM Entertainment Co., Ltd.	0.00	0.00	0.00	5,136.00
Bigbrain Co., Ltd.	0.00	0.00	235,219.16	265,500.00
Moindy Digital Co., Ltd.	0.00	107,000.00	0.00	107,000.00
Triple S Interactive Co., Ltd.	166,663.43	0.00	166,663.43	0.00
Total	<u>166,663.43</u>	<u>107,000.00</u>	<u>2,709,332.29</u>	<u>377,636.00</u>

### 31. TRANSACTION WITH RELATED PERSON AND PARTIES (CONTINUED)

31.3 Revenues and expenses transaction with related persons and parties for the year ended December 31, 2018 and 2017,  
are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Revenue from sale and services				
1) Revenue from advertising				
Creatist Media Co., Ltd.	0.00	0.00	47,710,575.20	28,054,250.00
2) Revenue from services				
Creatist Media Co., Ltd.	0.00	0.00	41,643,000.00	68,740,000.00
Bigbrain Co., Ltd.	0.00	0.00	593,600.00	774,600.00
Triple S Interactive Co., Ltd.	0.00	330,000.00	0.00	330,000.00
3) Revenue from artist management				
Creatist Media Co., Ltd.	0.00	0.00	20,000.00	0.00
Bigbrain Co., Ltd.	0.00	0.00	0.00	10,000.00
Other income				
4) Interest income from				
short-term loans				
Bigbrain Co., Ltd.	0.00	0.00	23,404.70	644.98
Triple S Interactive Co., Ltd.	61,705.52	21,868.02	61,705.52	21,868.02
Total	<u>61,705.52</u>	<u>351,868.02</u>	<u>90,052,285.42</u>	<u>97,931,363.00</u>
Cost of sales and services				
1) Cost of advertising				
Creatist Media Co., Ltd.	0.00	0.00	8,784,800.00	345,360.00
EM Entertainment Co., Ltd.	0.00	0.00	0.00	7,200.00
Bigbrain Co., Ltd.	0.00	0.00	0.00	756,000.00
2) Cost of services				
Creatist Media Co., Ltd.	0.00	0.00	273,060.00	170,000.00
EM Entertainment Co., Ltd.	0.00	0.00	38,400.00	206,090.00
Bigbrain Co., Ltd.	0.00	0.00	39,160,769.20	1,946,181.00
Directors	326,000.00	497,600.00	160,000.00	301,100.00
Total	<u>326,000.00</u>	<u>497,600.00</u>	<u>48,417,029.20</u>	<u>3,731,931.00</u>

### 31. TRANSACTION WITH RELATED PERSON AND PARTIES (CONTINUED)

#### 31.4 Management remuneration

The compensation paid or payable to key management for the year ended December 31, 2018 and 2017, are as follows :

	For the year ended December 31, 2018 and 2017			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Short-term employee benefits				
(Salary, bonus and other allowance:	35,538,700.00	33,749,879.00	24,647,910.00	23,779,520.00
Post-employee benefits	921,853.00	841,252.00	812,093.00	755,656.00
Total	<u>36,460,553.00</u>	<u>34,591,131.00</u>	<u>25,460,003.00</u>	<u>24,535,176.00</u>

### 32. OPERATING SEGMENTS

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, events and television programme production business (3) artist management business and (4) other business.

The Board of directors 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.

### 32. OPERATING SEGMENTS (CONTINUED)

Operating segment information in consolidated financial statements for the year ended December 31, 2018 and 2017, are as follows:

(Unit : Baht)

	2018					2017				
	Advertising	Services, event and television programme production	Artist management	Others	Total	Advertising	Services,event and television programme production	Artist management	Others	Total
Revenues from operation	202,720,464.70	316,627,102.03	3,614,509.83	0.00	522,962,076.56	224,458,505.04	200,708,129.69	3,633,967.13	145,794.40	428,946,396.26
Costs from operation	(134,330,053.50)	(235,695,364.92)	(3,021,547.02)	0.00	(373,046,965.44)	(177,435,723.89)	(133,523,176.32)	(2,836,629.90)	(47,438.70)	(313,842,968.81)
Segment result	68,390,411.20	80,931,737.11	592,962.81	0.00	149,915,111.12	47,022,781.15	67,184,953.37	797,337.23	98,355.70	115,103,427.45
Other income					3,160,857.13					3,533,553.23
Selling and administrative expenses					(107,426,569.38)					(98,000,548.30)
Finance costs					(295,488.39)					(131,274.37)
Share of profit of associate and joint venture					(2,301,693.94)					924,297.44
Tax expense					(8,513,656.67)					(4,562,686.72)
Net profit for the year					<u>34,538,559.87</u>					<u>16,866,768.73</u>
Profit (loss)Loss attributable to non-controlling interests					<u>3,439,719.31</u>					<u>(2,518,186.00)</u>
(Loss) profit attributable to owners of the parent					<u>31,098,840.56</u>					<u>19,384,954.73</u>

### 33. FINANCIAL INSTRUMENTS DISCLOSURE

#### 33.1 Accounting policies

Significant accounting policies, recognition of measurement of each items of assets and liabilities are disclosed in note No. 4.

#### 33.2 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 fluctuation 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) 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) 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.

##### 5) Fair value of financial instruments

Most of financial assets are classified as short-term and loans bear the market interest rate. The book value of financial assets and liabilities are close to their fair value. The management believes that there is no material risk financial instruments.

### 33. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

#### 5) Fair value of financial instruments (Continued)

As at December 31, 2018 and 2017, the Company has financial assets and liabilities which have interest rate risk as follows :

(Unit : Million Baht)

#### Consolidated financial statements

	December 31, 2018				December 31, 2017			
	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	rate	rate	rate		rate	rate	rate	
Financial assets								
Cash and cash equivalents	27.75	-	25.04	52.79	29.49	-	2.65	32.14
Current investments	0.14	-	-	0.14	0.70	-	-	0.70
Short-term loan to related party	-	-	-	-	-	4.50	-	4.50
Restrict Cash	-	6.16	-	6.16	-	0.83	-	0.83
Financial liabilities								
Financail lease liabilities	-	3.82	-	3.82	-	4.73	-	4.73

(Unit : Million Baht)

#### Separate financial statements

	December 31, 2018				December 31, 2017			
	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	rate	rate	rate		rate	rate	rate	
Financial assets								
Cash and cash equivalents	3.11	-	22.06	25.17	5.01	-	5.17	10.18
Current investments	0.14	-	-	0.14	0.70	-	-	0.70
Short-term loan to related party	-	2.39	-	2.39	-	6.19	-	6.19
Restrict Cash	-	6.16	-	6.16	-	0.83	-	0.83
Financial liabilities								
Financail lease liabilities	-	3.82	-	3.82	-	4.73	-	4.73

### 33. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

#### 5) Fair value of financial instruments (Continued)

Interest rate and maturity of financial instruments in the statements of financial position date as at December 31, 2018 and 2017, are as follows :

(Unit : Milion Baht)

#### Consolidated financial statements

	December 31, 2018					December 31, 2017				
	At call	Within	Over	Total	Interest rate	At call	Within	Over	Total	Interest rate
		12 months	12 months				12 months	12 months		
Financial assets										
Cash and cash equivalents	52.63	-	-	52.63	0.37% - 0.75%	31.69	-	-	31.69	0.37% - 0.75%
Current investments	-	0.14	-	0.14	1.00%	-	0.70	-	0.70	1.00%
Short-term loan to related party	-	-	-	-	-	-	4.50	-	4.50	1.375%
Restrict Cash	-	6.16	-	6.16	1.25%	-	0.83	-	0.83	1.25%
Financial liabilities										
Financail lease liabilities	-	0.97	2.86	3.83	7.00%	-	0.90	3.82	4.72	7.00%

(Unit : Milion Baht)

#### Separate financial statements

	December 31, 2018					December 31, 2017				
	At call	Within	Over	Total	Interest rate	At call	Within	Over	Total	Interest rate
		12 months	12 months				12 months	12 months		
Financial assets										
Cash and cash equivalents	25.05	-	-	25.05	0.37% - 0.75%	9.82	-	-	9.82	0.37% - 0.75%
Current investments	-	0.14	-	0.14	1.00%	-	0.70	-	0.70	1.00%
Short-term loan to related party	-	2.39	-	2.39	1.375%	-	6.19	-	6.19	1.375%
Restrict Cash	-	6.16	-	6.16	1.25%	-	0.83	-	0.83	1.25%
Financial liabilities										
Financail lease liabilities	-	0.97	2.86	3.83	7.00%	-	0.90	3.82	4.72	7.00%

### 33. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

#### 33.3 Fair value estimation

The Company use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available. there is no active market or when a quoted market price is not available.

#### Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavour to use relevant observable inputs as much as possible. The different levels have been defined as follows :

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly.

Level 3 : unobservable inputs for assets or liabilities.

As at December 31, 2018, the Company had the following assets that were measured at fair value using different levels of inputs as follows :

	(Unit : Baht)			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments :				
Available-for-sale investments	0.00	35,230,448.00	0.00	35,230,448.00
	(Unit : Baht)			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments :				
Available-for-sale investments	0.00	35,230,448.00	0.00	35,230,448.00

During the current year, there were no transfers within the fair value hierarchy



### 34. CONTINGENT LIABILITIES

#### Bank guarantee

Banks have provided guarantees on behalf of the Company and the Group as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Guarantee for utilities	625,000.00	625,000.00	625,000.00	625,000.00
Guarantee for goods payment	206,000.00	206,000.00	206,000.00	206,000.00
Guarantee for service agreement	5,333,299.14	0.00	5,333,299.14	0.00
	<u>6,164,299.14</u>	<u>831,000.00</u>	<u>6,164,299.14</u>	<u>831,000.00</u>

### 35. EVENTS AFTER THE REPORTING PERIOD

Accord to the minute of the Board of directors meeting No.1/2019 held on February 22, 2019, an approval of proposal of dividend payment to shareholders at 0.08 Bath per share totaling 800,030,075 shares with a total value of baht 64.00 milion.

### 36. RECLASSIFICATION

The statements of financial position as at December 31, 2018 have been reclassified for comparison purpose in conformity with the 2018 financial statements.

	Consolidated financial statements (Baht)		
	Before reclassification	Reclassification	After reclassification
Statements of financial position			
Assets :			
Trade and other current receivables	67,703,020.78	(4,520,888.46)	63,182,132.32
Other current assets	38,670,467.63	(2,741,700.92)	35,928,766.71
Deferred tax assets	6,024,748.00	(1,691.77)	6,023,056.23
Laibilities :			
Trade and other current payables	(48,588,329.64)	2,741,700.92	(45,846,628.72)
Other current liabilities	(16,884,449.82)	4,520,888.46	(12,363,561.36)
Deferred tax assets laibilities	(1,691.77)	1,691.77	0.00

### 36. RECLASSIFICATION (CONTINUED)

	Separate financial statements (Baht)		
	Before reclassification	Reclassification	After reclassification
Statements of financial position			
Assets :			
Trade and other current receivables	89,772,473.53	(3,355,057.92)	86,417,415.61
Other current assets	27,246,143.08	(2,311,690.97)	24,934,452.11
Laibilities :			
Trade and other current payables	(43,700,357.80)	2,311,690.97	(41,388,666.83)
Other current liabilities	(14,512,288.96)	3,355,057.92	(11,157,231.04)

### 37. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on  
February 22, 2019.