



บริษัท ดีมีเตอร์ คอร์ปอเรชั่น จำกัด (มหาชน)

Demeter Corporation Public Company Limited

เลขที่ 191/43 อาคารซีทีไอ ทาวเวอร์ ชั้น 21 ถนนรัชดาภิเษก แขวงคลองเตย เขตคลองเตย กรุงเทพฯ 10110

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DCORP 104/2017

August 11, 2017

Subject: Report on the overall operation for the first six-month of the year 2017 ended June 30, 2017 and the decrease in the overall operation more than 20 percent.

Attention: President  
Stock Exchange of Thailand

Demeter Corporation Public Company Limited (“DCORP”) (“The Company”) would like to submit the reviewed financial statements for the first six-month of the year 2017 ended June 30, 2017. Such financial statements comprise of the consolidated financial statements and the separate financial statements as compared with the financial statements for the first six-month of the year 2016 ended June 30, 2016. The Company’s overall performance can be summarized as follows.

**DCORP would like to summarize the overview of the consolidated company’s performance for the first six-month of the year 2017 ended June 30, 2017 as follows:**

Company’s Performance (unit: million Baht )	2017	Percentage (%)	2016	Percentage (%)	Change increase (decrease) (%)
Total income and other income	47.97	100.00	79.46	100.00	(39.63)
Costs	18.79	39.17	42.14	53.03	(55.41)
Administrative expenses, finance costs and share of loss from associates	37.52	78.22	29.56	37.20	26.93
Management benefit expenses	11.30	23.56	16.56	20.84	(31.76)
Loss before tax	(19.64)	(40.95)	(8.79)	(11.07)	123.44
Tax	-	-	-	-	-
Net loss for the period	(19.64)	(40.95)	(8.79)	(11.07)	123.44
Loss attributable to owners of the Company	(18.30)	(38.15)	(8.79)	(11.07)	108.19

Based on the performance of DCORP from the consolidated financial statements for the first six-month of the year 2017 ended June 30, 2017, the total income was Baht 47.97 million, comprised of income from programmed co-production of Baht 23.12 million, income from broadcasting rights, which was income from the movie rights of Baht 16.71 million, and other incomes of Baht 8.14 million. It decreased by Baht 31.49 million, or 39.63 percent compared with the same period of the year 2016. This was mainly due to the termination of the satellite television co-production agreement before the due date with M.V. Television (Thailand) Co., Ltd. for 16 satellite television channels of DCORP by starting return the channels since the end of 2015 and ended on March 31, 2016. This matched with the decrease of costs in the first six-month of the year 2017.

DCORP had total costs of Baht 18.79 million including the co-production cost of Baht 3.6 million and broadcasting costs of Baht 15.19 million. Thus, profit before expenses was Baht 29.18 million and after deducting the total expenses of Baht 48.82 million, which included administrative expenses of Baht 37.14 million, finance costs of Baht 0.25 million and management benefit expenses of Baht 11.30 million, DCORP’s loss before tax was Baht 19.64 million. Loss attributable to non-controlling interests and owners of the Company was Baht 1.34 million and Baht 18.30 million respectively. Compared with the consolidated financial statements for the same



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period of the year 2016, DCORP's net loss increased by Baht 9.51 million or 108.19 percent. This was mainly due to the increase of administrative expenses from hiring management of subsidiaries, advisor and due diligence fees to audit the position of energy projects that the Company had entered into business.

**DCORP would like to summarize the overview of the separate company's performance for the first six-month of the year 2017 ended June 30, 2017 as follows:**

Company's Performance (unit: million Baht )	2017	Percentage (%)	2016	Percentage (%)	Change increase (decrease) (%)
Total income and other income	42.01	100.00	73.78	100.00	(43.06)
Costs	15.19	36.16	37.03	50.19	(58.98)
Administrative expenses and finance costs	40.88	97.31	28.39	38.48	43.99
Management benefit expenses	10.73	25.54	14.00	18.98	(23.36)
Loss before tax	(24.79)	(59.01)	(5.64)	(7.65)	339.54
Tax	-	-	-	-	-
Net loss for the period	(24.79)	(59.01)	(5.64)	(7.65)	339.54

The separate company's performance for the first six-month of the year 2017 ended June 30, 2017, DCORP's net loss before tax was Baht 24.79 million, which the loss increased by Baht 19.15 million or 339.54 percent compared to the same period in 2016. This was due to the termination of the programmed co-production agreement before the due date at the beginning of 2016 but no revenue recognition from other business, which was in the investigation process. In addition, the Company has increased administrative expenses as a result of the various expenses related to the new business audited by the Company and an allowance for impairment of investment in subsidiaries in the amount of Baht 7.85 million. However, the management benefit expenses decreased of Baht 3.27 million or 23.36 percent compared to the same period in last year.

#### The progress of receiving debt repayment from Media Agency Thai Co., Ltd.

All indebtedness and liabilities of Media Agency Thai Co., Ltd. ("MAT") owed to the Company under the Broadcasting Right Purchase Agreement between the Company and MAT, as at June 30, 2017, remain at Baht 299.45 million, comprising:

a. Receivables under the Debt Restructuring Agreement remain as at June 30, 2017, of Baht 72.01 million (included VAT). The details are as follows:

Details	(Unit : Million Baht)
Accounts receivable under the Debt Restructuring Agreement	98.16
<u>Less:</u> Payment received on December 30, 2015	(2.68)
Payment received on February 8, 2016	(2.68)
Payment received on March 9, 2016	(2.68)
Payment received on March 31, 2016	(2.68)
Payment received on May 10, 2016	(2.68)
Payment received on June 13, 2016	(2.68)
Payment received on July 26, 2016	(2.68)



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Payment received on June 29, 2017	(5.35)
Payment received on June 30, 2017	(2.04)
Receivables under the Debt Restructuring Agreement as at June 30, 2017	72.01

b. Value under the Repayment Agreement of Baht 227.44 million (excluded VAT). The details are as follows:

Details	(Unit : Million Baht)
Fair value of the right to sell the advertising time during the broadcasting of Golf European Tour Program	254.79
<u>Less:</u> Payment received from selling the advertising time	
March 8, 2016	(0.18)
March 25, 2016	(1.84)
March 31, 2016	(9.53)
June 30, 2016	(0.18)
August 17, 2016	(0.18)
September 27, 2016	(2.46)
October 13, 2016	(0.18)
November 30, 2016	(0.11)
January 17, 2017	(0.11)
June 28, 2017	(12.58)
Value under the Repayment Agreement as at June 30, 2017	227.44

The Company has taken the following legal actions.

On October 17, 2016, the Legal Department sent out a letter of payment request to MAT and the representative of MAT contacted for negotiation but there was no any conclusion.

On January 25, 2017, the Legal Department sent out the second letter of payment request and prepared a set of documents to lawyer for prosecution if the debt negotiation was failed.

On February 22, 2017, MAT contacted the Company to request time for 3 months for repayment of the loan due to MAT being in the process of restructuring and the new operating system setting. In addition, MAT was in the process of the capital increase and propose to partly repay Baht 200,000. During this time, the Legal Department has been monitoring the progress with MAT representative periodically.

On June 8, 2017, MAT has made a notice of the progress of the capital increase and the restructuring of the company and made the payment of Baht 7.39 million to the Company in June 2017.



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In addition, the Company would like to report the status of debtors, which are in the legal process as follows:

1. **Pending Cases** - There are 3 lawsuits pending in the court's proceedings, 1 civil case and 2 criminal cases.

The civil case, the debtor defaulted in return the sponsorship from the sport tournament, which the Company was the financial investor with amount of Baht 86.43 million according to the contract project of the golf tournament "Thailand Classic". The Company had filed this case to the Civil Court on July 15, 2016 and entered into the negotiation process for two times but unsuccessfully. Accordingly, the case was returned to the Court process and scheduled to be held in September 2017.

For two criminal cases, the lawsuit against the debtor under the Act on offenses arising from the use of checks B.E. 2534 and guilt on defrauding to creditors, respectively, of which the two cases, the Company did not complain to the inquiry officer but filing the case to the Court and the inquiry process has been completed. Currently, the Court has been ordered to stamp the two lawsuits and scheduled to examine the testimony of the defendants for both cases by August 2017.

2. **Cases with Final Judgment** - There are 4 lawsuits, 1 case in the enforcement proceedings under the Bankruptcy Act and 3 cases in the enforcement process under civil law.

By lawsuit in the enforcement proceedings under the Bankruptcy Act., the debtor is owed according to the judgment of the South Bangkok Civil Court, about Baht 73 million excluding interest. The current process is in the process of gathering assets of the debtor, such as a deposit account; in addition, there are other property found, such as buildings, large-scaled steel factory, machinery, etc. The Official Receiver has arranged a meeting of creditors to discuss about the debtor's property management again in August 2017

For the three remaining debtors under the verdicts, are the debtors under the programme co-production contract. The current procedure is in the process of executing for one case; while the other two are in the process of investigating additional property to further enforcement.

## Progress Report of Q2/2017 Business Plan

The management has strongly set its goal to grow sustainably. We would like to present the progress of the following projects;

1. **Media Business:** For the investment in online live steaming business, the company invested 30% in Blue Finix Digital Company Limited ("Blue Finix") which operates business regarding application development on online live streaming platform. The application is now available in trial version both IOS systems, Android systems on mobile phones and on computers to test the system and fix minor bugs in the program. Although it is still the trial version, Blue Finix has already earned revenue from this application. The Company expects the application in full version will be available for download in August 2017. The development of the application will not stop at only the live broadcast of individual groups, who registered as DJs. but also there will be live broadcast from Professional Content, which currently many organizers have been contacted and received a good response. According to the plan, Blue Finix will organize public relations and road shows along with professional organizers and launch the "Finix TV" application within August 2017.

2. **Energy Business:**

2.1 Investment in the Philippines: The meeting of the Board of Directors of the Company held on January 26, 2017 has resolved to approve the purchase of the ordinary shares of Negro PH Solar Inc. ("NPSI"), in the Philippines, which is the solar power operator, from the existing shareholders of NPSI in the amount of 10,000 ordinary shares, representing 40 percent of the



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total issued shares of NPSI, which is maximum shareholding percentage allowed under the laws of the Philippines. The share acquisition transaction will be subject to approval from the meeting of the shareholders and upon certain conditions precedent under the Share Purchase Agreement have been fulfilled. Currently, the status of the project is pending for the construction license approval process of the project, which delays due to a change in policy on procedure and the license approval process of the licensing agency, which is the Department of Energy, Ministry of Energy, Philippines. It is still in the process of reviewing additional documentation from the Ministry of Energy and we have not been able to conclude any progress. As preliminary discussions, NPSI expects the Ministry of Energy, Philippines will finish the review of documents by end of October 2017. After the license is completed. The investment transactions will be proceeded in accordance with the terms and conditions of the share purchase agreement. However, it subjects to the approval of the shareholders meeting. The Company will propose to the Extraordinary General Meeting of Shareholders to consider and approve the share acquisition transaction in NPSI accordingly.

2.2 Investment in the Biogas Power Plant Project: DCORP has executed the Share Purchase Agreement with existing shareholders of Aukkarawat Plant Renewable Energies Co., Ltd. (“**Aukkarawat**”) in the amount of 25,000 shares, representing 50% of the total ordinary shares of Aukkarawat. The transaction is divided into 3 times. Currently, the Company has not yet entered into the third share purchase transaction, which specified in the share purchase agreement that the Company will have to buy 8,181 shares from its existing shareholders, representing 16.36% of the total ordinary shares of Aukkarawat, by changing from within July 31, 2017 to within October 31, 2017. As the Company and other shareholders of Aukkarawat are under negotiation on business issues to be defined in the agreement among shareholders. This is a condition precedent of the share transfer. Agreements in negotiation include such as management details of the company by the Board of Directors and shareholders.

Regarding the business operation and progress tracking of the Company, the Company shall conduct in accordance with the laws, regulation and relevant notification of the Securities and Exchange Commission and the SET.

Please be informed accordingly.

Sincerely Yours,

*Cholapan Vongsing*  
(Mr. Cholapan Vongsing)  
Chief Financial Officer