

TV DIRECT PUBLIC COMPANY LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
TV Direct Public Company Limited

Opinion

I have audited the consolidated financial statements of TV Direct Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have audited the separate financial statements of TV Direct Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of TV Direct Public Company Limited and its subsidiaries as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of TV Direct Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of my report. I am independent of the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue from sales of goods and services

The Company operates its business from sales of goods and services through its diversified marketing channels. The Company's main income is from sales of goods and the income will be recognized when the ownership is delivered in the goods or the risk is transferred to the customers. The income is a significant measure of the Company's ability to operate. It will have an impact on the Company's profit due to the increase or decrease in income as the income is the main business transaction of the Company and has the amount that is significant to the Company.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on revenue account data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Valuation of investments in subsidiaries

Refer to note 2.4 (Accounting policies) and note 14 (Investments in subsidiaries)

Investments in 2 subsidiaries in the separate financial statements, Last Mile Direct Co., Ltd. and TVD Broker Co., Ltd., which still had accumulated loss as at December 31, 2018, the management considered to be unnecessary to record the allowance for impairment because the operations of such subsidiaries were temporary losses.

I focused on this area because the valuation model was subjective and it involved judgements by management in relation to the business plan and operating cash flows in the future.

I evaluated the management's assessment of the valuation of investments in subsidiaries by understanding and inquiring management's business plan and estimation of future operating cash flows, as follows:

For Last Mile Direct Co., Ltd., since 2017, this subsidiary has adjusted its business plan in providing driving growth and rendering more effective delivery service for products and parcels. Management provided a business plan with an estimate of cash flows received of the year 2019 and expects that the Company will have profits from the operation.

For TVD Broker Co., Ltd., this subsidiary is currently in the initial start-up of business. However, the management provided business plan and operating cash flows for year 2019 and expects to receive the profits from the operation.

I compared future business plan with the past information, economic condition and trend of business in the same industry to the assessment for allowance for impairment in investment in subsidiaries in the separate financial statements.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that I have identified during my audit.

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Peradate Pongsathiansak.

(Mr. Peradate Pongsathiansak)
Certified Public Accountant
Registration No. 4752

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 26, 2019

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

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
Current assets					
	7	220,164,485	213,945,569	142,281,144	117,251,813
	8	101,613,187	140,502,525	-	-
	9	182,454,336	135,197,288	141,133,694	107,635,326
	37 d)	-	-	5,800,000	4,800,000
	37 e)	4,750,000	14,500,000	4,750,000	14,500,000
	10	314,405,018	326,779,364	280,683,947	322,278,484
		1,735,933	3,407,751	1,735,933	3,407,751
		407,469	91,069	397,539	91,069
		<u>825,530,428</u>	<u>834,423,566</u>	<u>576,782,257</u>	<u>569,964,443</u>
Non-current assets					
	12	44,230,000	44,080,000	40,530,000	40,530,000
		40,040,416	33,806,555	6,375,152	5,028,891
	13	9,828,269	10,000,000	10,000,000	10,000,000
	14	-	-	361,978,778	361,978,778
	15	-	-	3,222,086	5,142,285
	16	393,444,254	415,176,636	224,643,134	236,409,770
	17	65,942,548	62,178,080	42,304,234	35,216,268
	18	39,273,633	58,357,175	14,445,970	30,879,719
	19	35,443,288	40,295,102	31,650,060	34,287,685
		<u>628,202,408</u>	<u>663,893,548</u>	<u>735,149,414</u>	<u>759,473,396</u>
		<u>1,453,732,836</u>	<u>1,498,317,114</u>	<u>1,311,931,671</u>	<u>1,329,437,839</u>

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

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

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

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

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht									
		Consolidated financial statements									
		Attributable to owners of the parent company									
		Other components of equity									
		Deficits				Other comprehensive income					
		Surplus		Gain on		Surplus on		Total		Non-	
		from land		measurement of		change in		shareholders'		controlling	
		revaluation		available-for-sale		investment proportion		equity of the		interests	
		(net)		investments (net)		in subsidiaries		parent company		Total	
Note	Authorised, issued and fully paid-up share capital	Share premium	Appropriated - legal reserve	Unappropriated	Surplus from land revaluation (net)	Gain on measurement of available-for-sale investments (net)	Surplus on change in investment proportion in subsidiaries	Total shareholders' equity of the parent company	Non- controlling interests	Total	
	Beginning balance as at January 1, 2017	325,146,675	422,995,715	3,802,569	(142,374,888)	46,839,683	191,167	978,802	657,579,723	158,386,989	815,966,712
	Changes in shareholder's equity for the year 2017										
	Non-controlling interests increase (decrease) from										
	- acquisition of investment in subsidiaries	14	-	-	-	-	-	-	-	6,166,125	6,166,125
	- loss of control from investment in subsidiaries	14	-	-	-	-	-	-	-	(4,106,808)	(4,106,808)
	- set up new subsidiaries	14	-	-	-	-	-	-	-	9,000,000	9,000,000
	- Reduction the capital in subsidiaries	28	-	-	-	-	-	-	-	(35,000,000)	(35,000,000)
	Dividends payment	25	-	-	-	-	-	-	-	(13,632,536)	(13,632,536)
	Actual gain (loss) on defined employee benefit plans		-	-	1,855,161	-	-	-	1,855,161	(11,280)	1,843,881
	Total comprehensive income (loss) for the year		-	-	(65,856,874)	-	209,034	-	(65,647,840)	10,378,140	(55,269,700)
	Closing balance as at December 31, 2017	325,146,675	422,995,715	3,802,569	(206,376,601)	46,839,683	400,201	978,802	593,787,044	131,180,630	724,967,674
	Changes in shareholder's equity for the year 2018										
	Transfer of share premium and legal reserve to offset the deficits	27	-	(29,999,639)	(3,802,569)	33,802,208	-	-	-	-	-
	Increase share capital	27	10,958	10,958	-	-	-	-	21,916	-	21,916
	Dividends payment	28	-	-	1,896,054	(34,411,812)	-	-	(32,515,758)	(9,975,002)	(42,490,760)
	Total comprehensive income (loss) for the year		-	-	57,565,696	-	654,015	-	58,219,711	10,247,962	68,467,673
	Closing balance as at December 31, 2018	325,157,633	393,007,034	1,896,054	(149,420,509)	46,839,683	1,054,216	978,802	619,512,913	131,453,590	750,966,503

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht					
		Separate financial statements					
	Note	Authorised, issued and fully paid-up share capital	Share premium	Retained earnings (Deficits)		Other components of equity	Total
				Appropriated - legal reserve	Unappropriated	Other comprehensive income Surplus from land revaluation (net)	
Beginning balance as at January 1, 2017		325,146,675	422,995,715	3,802,569	36,890	46,839,683	798,821,532
Changes in shareholders' equity for the year 2017							
Actual gain (loss) on defined employee benefit plans	25	-	-	-	1,568,738	-	1,568,738
Total comprehensive income (loss) for the year		-	-	-	(35,407,836)	-	(35,407,836)
Closing balance as at December 31, 2017		325,146,675	422,995,715	3,802,569	(33,802,208)	46,839,683	764,982,434
Changes in shareholders' equity for the year 2018							
Transfer of share premium and legal reserve to offset the deficits	27	-	(29,999,639)	(3,802,569)	33,802,208	-	-
Increase share capital	27	10,958	10,958	-	-	-	21,916
Dividend payment	28	-	-	1,896,054	(34,411,812)	-	(32,515,758)
Total comprehensive income (loss) for the year		-	-	-	62,141,352	-	62,141,352
Closing balance as at December 31, 2018		325,157,633	393,007,034	1,896,054	27,729,540	46,839,683	794,629,944

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

TV DIRECT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Cash flows from financing activities :</u>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(91,366,623)	(121,641,407)	(101,376,863)	(121,641,407)
Short-term loans from related parties - received	-	-	-	15,000,000
Long-term loans from financial institutions - received	-	32,500,000	-	32,500,000
Long-term loans from financial institutions - repayments	(20,286,503)	(25,370,736)	(20,286,503)	(25,370,736)
Finance costs paid - interest expense	(6,794,745)	(15,197,642)	(7,022,672)	(14,525,230)
Cash payments for liabilities under financial lease agreements				
- principal	(145,589)	(3,414,796)	-	(1,338,149)
- interest expense	(46,770)	(25,450)	-	(12,712)
Cash received from paid-up share capital	21,916	-	21,916	-
Cash paid for dividend payment	(32,515,758)	-	(32,515,758)	-
Cash paid for dividend payment to non-controlling interests	(9,975,002)	(13,632,536)	-	-
Cash received from non-controlling interests to set up new subsidiaries	-	9,000,000	-	-
Net cash receipts (payments) from financing activities	(161,109,074)	(137,782,567)	(161,179,880)	(115,388,234)
Net increase (decrease) in cash and cash equivalents	6,218,916	49,046,985	25,029,331	34,724,183
Cash and cash equivalents - beginning balance	213,945,569	164,898,584	117,251,813	82,527,630
Cash and cash equivalents - ending balance	220,164,485	213,945,569	142,281,144	117,251,813
<u>Additional information</u>				
Transfer of employee benefit obligation from related company	-	-	2,646,257	-
Transfer of assets for investment in subsidiaries	-	-	-	5,001,288
Reduction of capital pending refund to non-controlling interest	-	35,000,000	-	-

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. GENERAL INFORMATION

TV Direct Public Company Limited (“the Company”) is incorporated as a limited company in Thailand on April 21, 1999 and subsequently registered to convert to a public company limited on May 4, 2011. As a result, the Company registered to change its name from “TV Direct Company Limited” to “TV Direct Public Company Limited” with the Ministry of Commerce and listed on the Stock Exchange of Thailand on August 23, 2012.

The address of its registered office is at 25 Watcharaphol Road, Tha-Raeng Sub-district, Bang Khen District, Bangkok 10230.

As at December 31, 2018, the Company has 92 distribution centers (As at December 31, 2017 : 85 distribution centers), which are registered with the Ministry of Commerce, in Bangkok and other provinces.

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

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

These consolidated and separate financial statements have been approved by the Board of Directors on February 26, 2019.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

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

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

2.2 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Group evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

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

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

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

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

The management of the Group believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

2.4 Group accounting

Investments in subsidiaries

a) Subsidiaries

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

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

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

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

b) Transactions with non-controlling interests

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

c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequent measurement for the retained interest in associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Investments in associates

Associates are those companies in which the Company has significant influence, that is the Company has power to participate in the decision relating to the financial and operating policies of the enterprise but not up to the level of controlling such policies. In the consolidated financial statements, investments in associates are stated at equity method. If the associates have capital deficiencies, the recognition of the Company's portion on such investments will be equal to zero only. In the separate financial statements, investments in associates are stated at net cost from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss for the period in the statement of comprehensive income.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

2.5 Cash and cash equivalents

In the statements of consolidated and separate cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown as current liabilities in statement of financial position.

2.6 Trade accounts receivable

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

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowance or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business less applicable selling expenses. The Group provides an allowance where necessary, for obsolete, slow-moving and defective inventories.

2.8 Investments

Investments other than investments in subsidiaries are classified into the following 4 categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and reviews such classification on a regular basis.

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments with fixed maturity that the management has an intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

- (3) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (4) Investments in non-marketable equity securities are classified as general investments.

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

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in the statement of comprehensive income. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are stated at amortised cost using the effective yield rate less the allowance for impairment.

General investments are stated at cost less the allowance for impairment.

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

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

2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

Building and building improvements held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs, which are incurred for the purpose of acquiring, constructing or producing a qualifying investment property, are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less accumulated depreciation and allowance for impairment loss.

Depreciation on investment properties is calculated using the straight line method to allocate their residual values over the estimated useful lives, as follows:

Buildings and building improvements	5 - 20 years
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2.10 Property, plant and equipment

Land is stated at the fair value based on the valuations by external independent valuers and it will be reviewed every 3 - 5 years. Buildings and equipment are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to the assets acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and building are credited to other comprehensive income and shown as gain on asset revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset is charged to profit or loss and depreciation based on the asset's original cost is transferred from 'gain on asset revaluation' to retained earnings.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

Land has not been depreciated. Depreciation of other assets is calculated using the straight-line method to write off the cost of each asset to their residual value over the estimated useful lives as follows:

Land improvements	5 Years
Buildings	20 Years
Building improvements	5 Years
Furniture, fixtures and office equipment	5 Years
Computer equipment	5 Years
Motor vehicles	5 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gain/loss in profit or loss. When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

2.11 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group is recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 5 years.

2.12 Impairment of assets

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

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

Operating leases

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

Finance leases

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

Operating leases

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

2.14 Borrowings

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

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

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

2.15 Current and deferred income taxes

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

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

2.16 Employee benefits

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

Post-employment benefits

- Defined contribution plans

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

- Defined benefit plans

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

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

Other long-term employee benefits

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

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

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

2.17 Provisions - general

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

2.18 Revenue recognition

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

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

2.19 Finance costs

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

2.20 Foreign currency transactions

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

2.21 Dividend distribution

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

2.22 Segment reporting

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

3.1.1 Foreign exchange risk

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

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

3.1.2 Interest rate risk

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

3.1.3 Credit risk

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

3.1.4 Liquidity risk

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

3.2 Fair Value Estimation

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

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

	Level	Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Fair value of assets as at December 31					
Available-for-sale					
investments (Note 8)	1	101,613,187	140,502,525	-	-
Property, plant					
and equipment (net) (Note 16)	2	151,169,061	147,975,893	112,559,168	109,366,000

Level 1

The fair value of available-for-sale investments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for available-for-sale investments held by the Group is the current bid price. These available-for-sale investments are included in Level 1.

Level 2

The fair value of items that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value measurement are from observable data, the instrument is included in level 2.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting estimates and assumptions

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

(a) Impairment of investments in a subsidiary

The investments in subsidiaries are reported using the cost method in the Company's financial statements. An allowance for impairment was recognised as the cost of the investments in a subsidiary exceeded the recoverable amount, which is determined by the value in use. As to whether the impairment provision should be provided or reversed, the management made an assessment by considering from past performance, external factors that may affect the business operations, and prepared and reviewed financial forecast and expected future cash inflow.

(b) Deferred tax

Deferred tax arises from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares or sell assets to reduce debt.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

6. SEGMENT INFORMATION

Certain part of the consolidated statements of comprehensive income for the year ended December 31, (Baht)

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

Certain part of the separate statements of comprehensive income for the year ended December 31, (Baht)

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

7. CASH AND CASH EQUIVALENTS

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

8. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at December 31, 2018 and 2017 are as follows:

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

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

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

9. TRADE AND OTHER ACCOUNTS RECEIVABLE

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

10. INVENTORIES

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

As at December 31, 2018, inventory costs in the consolidated and separate financial statements with the value of Baht 394,381 and Baht 394,381 (As at December 31, 2017 : 1,802,568 Baht and 1,802,568 Baht), respectively are stated at net realisable value, which is lower than cost.

The cost of inventories recognised as expense and included in 'cost of sales' in consolidated and separate financial statements amounting to Baht 1,896,325,479 and Baht 1,267,798,690. (2017 : Baht 1,565,630,190 and Baht 920,367,867), respectively.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

11. VALUE ADDED TAX

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

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

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

12. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2018 and 2017, restricted deposits at financial institutions represent 3 - month to 12 - month fixed deposits. The fixed deposits are held as collateral against short-term loan from financial institutions (Note 20).

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Interest rate (% per annum)	0.65 - 0.90	0.65 - 0.90	0.65 - 0.90	0.65 - 0.90
Used as collateral for	Short-term loan	Short-term loan	Short-term loan	Short-term loan
	from financial institutions	from financial institutions	from financial institutions	from financial institutions
	(Note 20), airtime rental	(Note 20), airtime rental	(Note 20),	(Note 20),
	(Note 39.1) and credit	(Note 39.1) and credit		
	facilities (Note 20).	facilities (Note 20).		

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

13. INVESTMENT IN ASSOCIATE

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

Summarised financial information of associate

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

On May 5, 2017, the Company has acquired 90,000 shares in 3-RD Co.,Ltd. from the total of 180,000 shares, or 50% of issued and paid-up shares at the amount of Baht 10,000,000 and has taken control as the subsidiary of the Company. Later on December 4, 2017, 3-RD Co.,Ltd. has increased its registered capital from Baht 18,000,000 (180,000 shares at Baht 100 per share) to Baht 36,000,000 (360,000 shares at Baht 100 per share). The Company has waived its rights to purchase the capital increase shares. As a result, the shareholding of the Company in 3-RD Co.,Ltd. has been decreasing from 50% to 25% and 3-RD Co.,Ltd. has ceased to be a subsidiary of the Company and has changed to be the associate of the Company from December 4, 2017, onwards (Note 14).

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

14. INVESTMENTS IN SUBSIDIARIES

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

Company name	Nature of business	Incorporated in	Percentage of shareholding		Paid-up share capital	
			2018	2017	2018	2017
			%	%	Baht	Baht
Subsidiaries						
TVD Shopping Co., Ltd.	Sell goods and services through multiple marketing channels	Thailand	65.00	65.00	345,000,000	345,000,000
TVD Services Co., Ltd.	Sell airtime for television broadcast and sell household equipment and other	Thailand	99.99	99.99	40,000,000	40,000,000
TVD Broker Co., Ltd.	Life insurance broker and other services related to insurance against loss	Thailand	99.99	99.99	55,000,000	55,000,000
Last Mile Direct Co., Ltd.	Delivery services	Thailand	99.99	99.99	40,000,000	40,000,000
Magik Pivot Co., Ltd.	Data center service	Thailand	60.00	60.00	22,499,200	22,499,200

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

Company name	Separate financial statements									
	Cost method									
	2018 (Baht)					2017 (Baht)				
	Cost	Allowance for impairment	Book Value	Proportionate net worth	Gain (loss) from investment in subsidiaries	Cost	Allowance for impairment	Book Value	Proportionate net worth	Gain (loss) from investment in subsidiaries
Subsidiaries										
TVD Shopping Co., Ltd.	224,250,000	-	224,250,000	160,706,573	(63,543,427)	224,250,000	-	224,250,000	160,983,009	(63,266,991)
TVD Services Co., Ltd.	39,999,998	-	39,999,998	42,308,689	2,308,691	39,999,998	-	39,999,998	44,044,114	4,044,116
TVD Broker Co., Ltd.	54,999,960	-	54,999,960	14,619,994	(40,379,966) *	54,999,960	-	54,999,960	11,273,112	(43,726,848)
Last Mile Direct Co., Ltd.	29,229,620	-	29,229,620	(5,002,240)	(34,231,860) *	29,229,620	-	29,229,620	2,269,278	(26,960,342)
Magik Pivot Co., Ltd.	13,499,200	-	13,499,200	14,330,554	831,354	13,499,200	-	13,499,200	13,385,904	113,296
	<u>361,978,778</u>	<u>-</u>	<u>361,978,778</u>	<u>226,963,570</u>	<u>(135,015,208)</u>	<u>361,978,778</u>	<u>-</u>	<u>361,978,778</u>	<u>231,955,417</u>	<u>(129,796,769)</u>

During the year 2017, the Company has reversed the allowance for impairment of investment in TVD services Co., Ltd. “Subsidiary” in the amount of Baht 4,620,343 since such subsidiary has already appropriately restructured its business and capital structure.

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

- For Last Mile Direct Co., Ltd., the management has changed its business plan to providing a delivery service for products and parcels. Management provided a business plan with operating cash flows for year 2019, and expects to receive profits from the operation.
- For TVD Broker Co., Ltd., this subsidiary is currently in the initial start-up of business. However, the management provided operating cash flows for year 2019 and expects to receive the profits from the operation.

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

Summarised financial statements of subsidiaries with material non-controlling interests

Set out below are the summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as follows:

Summarised statements of financial position as at December 31, 2018 and 2017

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

	Baht					
	TVD Shopping Co., Ltd.		Magik Pivot Co., Ltd.		Total	
	2018	2017	2018	2017	2018	2017
Revenue	1,044,218,047	1,059,790,214	18,675,549	-	1,062,893,596	1,059,790,214
Profit (loss) before income tax	30,151,289	40,265,623	1,920,680	(189,360)	32,071,969	40,076,263
Income tax income (expense)	(2,716,604)	(4,801,685)	(346,264)	-	(3,062,868)	(4,801,685)
Post-tax profit (loss) from continuing operations	27,434,685	35,463,938	1,574,416	(189,360)	29,009,101	35,274,578
Other comprehensive income	650,030	255,840	-	-	650,030	255,840
Total comprehensive income	28,084,715	35,719,778	1,574,416	(189,360)	29,659,131	35,530,418
Total comprehensive income allocated to non-controlling interests	9,618,185	12,412,378	629,766	(75,744)	10,247,951	12,336,634
Dividends paid to non-controlling interests	9,975,000	13,632,536	-	-	9,975,000	13,632,536

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

	Baht					
	TVD Shopping Co., Ltd.		Magik Pivot Co., Ltd.		Total	
	2018	2017	2018	2017	2018	2017
Cash flow from operating activities						
Cash generated from operations	26,230,633	61,353,647	6,323,099	29,988	32,553,732	61,383,635
Interest received	176,280	220,205	-	-	176,280	220,205
Interest paid	-	-	-	-	-	-
Paid to employee benefit	(115,000)	(120,000)	-	-	(115,000)	(120,000)
Income tax paid	(181,241)	(5,915,826)	(346,264)	-	(527,505)	(5,915,826)
Net cash generated from (used in) operating activities	26,110,672	55,538,026	5,976,835	29,988	32,087,507	55,568,014
Net cash generated from (used in) investing activities	34,590,491	51,844,984	(15,550,297)	-	19,040,194	51,844,984
Net cash generated from (used in) financing activities	(63,500,000)	(106,462,394)	-	12,499,200	(63,500,000)	(93,963,194)
Net (decrease)/increase in cash and cash equivalents	(2,798,837)	920,616	(9,573,462)	12,529,188	(12,372,299)	13,449,804
Cash and cash equivalents at the beginning of the year	34,995,183	34,074,567	12,529,188	-	47,524,371	34,074,567
Cash and cash equivalents at the end of the year	32,196,346	34,995,183	2,955,726	12,529,188	35,152,072	47,524,371

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

The movement of shares capital of subsidiaries for the years ended December 31, 2018 and 2017 as follows:

- TVD Shopping Co., Ltd.

According to the Board of Directors' Meeting of TVD Shopping Co., Ltd. "Subsidiary" No. 4/2017 dated November 8, 2017, the meeting had approved to decrease the subsidiary's registered share capital from Baht 445,000,000 to Baht 345,000,000. The decreased registered capital amounting Baht 100,000,000 is from the issuance of 20,000,000 ordinary shares, which has the par value at Baht 5 per share.

As at December 31, 2017, such subsidiary has reduction of capital pending refund to non-controlling interest in the amount of Baht 35,000,000. During the year 2018 its had fully paid.

- TVD Broker Co., Ltd.

According to the Board of Directors' Meeting of the Company No. 6/2017 dated August 11, 2017, the resolutions were approval to invest in the share capital increase of TVD Broker Co., Ltd. "subsidiary" for 1,500,000 shares at Baht 10 per share in the total amount of Baht 15,000,000.

- Last Mile Direct Co., Ltd.

According to the Board of Directors' Meeting of the Company No. 6/2017 dated August 11, 2017, the resolutions were approval to invest in the share capital increase of Last Mile Direct Co., Ltd. "subsidiary" for 100,000 shares at Baht 100 per share in the total amount of Baht 10,000,000.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

● 3-RD Co., Ltd.

According to the Board of Directors' meeting No.3/2017 held on April 20, 2017, it had the resolution to approve investing in 3-RD Company Limited (Main business is Call Center Outsource Services and Direct Marketing Solution) to enhance the potential and add on to the business operation as well as expanding the scope of business for higher coverage, by purchasing 90,000 shares (50% of the Company's registered capital), at Baht 111.11 per share in the total amount of Baht 10,000,000 from the former shareholders. Payment is done on May 5, 2017.

At the date of acquiring investment in the subsidiary (on May 5, 2017), there are differences from book value and cash paid for investment as follows:

	<u>Baht</u>
	<u>3-RD Company</u>
	<u>Limited</u>
Assets	
Cash and cash equivalents	1,726,626
Trade and other accounts receivable	17,845,978
Other current assets	4,577,045
Equipment	20,562,532
Intangible assets	13,249,314
Income tax refundable	10,893,940
Deposit	7,851,468
Deferred tax assets	4,593,382
Total assets	<u>81,300,285</u>
Liabilities	
Short-term loans from financial institutions	3,300,183
Trade and other accounts payable	14,717,865
Short-term loans from related company	22,443,420
Liabilities under financial lease agreement	5,998,614
Other current liabilities	10,902,677
Employee benefit liabilities	11,605,276
Total liabilities	<u>68,968,035</u>
Net asset value	<u>12,332,250</u>
Proportionate of net asset value (50%)	6,166,125
Cash paid for investment	<u>10,000,000</u>
Variance (Goodwill)	<u>3,833,875</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

According to the Board of Directors' Meeting of the Company No. 7/2017 dated November 10, 2017, the meeting had a resolution to approve the Company's subsidiary, 3-RD Co., Ltd., in order to increase its registered capital another Baht 18,000,000 (have a share premium of Baht 2,000,000) totaling the registered capital Baht 36,000,000 dividing into 360,000 shares at Baht 100 per share. This is to support the joint venture from an oversea company, who operates the business as a manufacturer, distributor, and service provider related to software with managed systems that provide services covering the sales or service at shop fronts, central management, back office management, as well as providing customer information analysis service and various services to optimize the sales and service of customers. In this regard, the Company will reduce its investment in 3-RD Co., Ltd. by foregoing its right to purchase the share capital increase 25 percent of all registered capital of 3-RD Co., Ltd. at the amount of Baht 36,000,000 or total value of Baht 9,000,000. As a result of the waiver of the right to purchase such share capital increase, it causes the Company's shareholding in 3-Rd Co., Ltd. to decrease from 50 percent to 25 percent and 3-RD Co., Ltd. ceased to be a subsidiary of the Company by changing its status as associate and resulting in profit on losing control in subsidiaries amounting to Baht 2,059,317 to be recognized in the statement of comprehensive income.

- **Magik Pivot Co., Ltd.**

According to the Board of Directors' Meeting of the Company No. 7/2017 dated November 10, 2017, the meeting had a resolution to approve the reestablishment of the new subsidiary that is a joint venture between the Company and a local company to operate its business by providing Data Center, Cloud Services and other related services including to operate as an Internet Services Provider. This is with the permission of the relevant authorities. The registered capital amounted Baht 30,000,000 is divided 300,000 shares at Baht 100 per share. In this regard, the Company will hold 60 percent of the registered capital at the total value of Baht 18,000,000.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

15. INVESTMENT PROPERTIES

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

	Baht					
	Consolidated financial statements			Separate financial statements		
	Building		Total	Building		Total
Building	improvements	Building		improvements		
For the year ended December 31, 2017						
Opening net book value	-	-	-	840	7,219,109	7,219,949
Additions	-	-	-	-	-	-
Depreciation charge (Note 32)	-	-	-	(802)	(2,076,862)	(2,077,664)
Closing net book amount	-	-	-	38	5,142,247	5,142,285
As at December 31, 2017						
Cost	-	-	-	4,802,889	10,356,153	15,159,042
<u>Less</u> Accumulated depreciation	-	-	-	(4,802,851)	(5,213,906)	(10,016,757)
Net book value	-	-	-	38	5,142,247	5,142,285
For the year ended December 31, 2018						
Opening net book value	-	-	-	38	5,142,247	5,142,285
Additions	-	-	-	-	180,237	180,237
Depreciation charge (Note 32)	-	-	-	-	(2,100,436)	(2,100,436)
Closing net book amount	-	-	-	38	3,222,048	3,222,086
As at December 31, 2018						
Cost	-	-	-	4,802,889	10,536,390	15,339,279
<u>Less</u> Accumulated depreciation	-	-	-	(4,802,851)	(7,314,342)	(12,117,193)
Net book value	-	-	-	38	3,222,048	3,222,086

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

The Group's management has estimated the fair value of investment properties as at December 31, 2018 and 2017 by using the discount cash flow projection method based on reliable estimates of future cash flows, supported by the terms of existing lease and other contracts and discounted by the company's weighted average cost of capital. (Fair value level 2)

As at December 31, 2018, the gross carrying amount of fully depreciated buildings that are still in used as included in the separate financial statements was Baht 4,802,889 (2017 : Baht 4,784,889).

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Rental income	-	-	1,116,000	1,437,600
Direct operating expense arising from investment property that generated rental income for the year	-	-	2,100,436	2,077,664

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

16. PROPERTY, PLANT AND EQUIPMENT

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

	Separate financial statements (Baht)							
	Land	Land for lease improvements	Building	Building for lease improvements	Furniture and fixtures and office equipment	Vehicles	Construction in progress	Total
	<hr/>							
For the year ended December 31, 2017	<hr/>							
Opening net book value	109,366,000	2,218,775	65,105,172	25,466,429	62,181,397	3	1,742,716	266,080,492
Additions	-	180,000	-	3,638,837	11,705,025	-	6,085,173	21,609,035
Transfers in (out)	-	-	-	1,088,825	6,219,064	-	(7,307,889)	-
Disposal - cost	-	-	-	-	(75,436,664)	-	-	(75,436,664)
- accumulated depreciation	-	-	-	-	67,538,027	-	-	67,538,027
Depreciation charge (Note 32)	-	(1,146,725)	(4,326,246)	(10,711,745)	(27,196,404)	-	-	(43,381,120)
Closing net book value	<u>109,366,000</u>	<u>1,252,050</u>	<u>60,778,926</u>	<u>19,482,346</u>	<u>45,010,445</u>	<u>3</u>	<u>520,000</u>	<u>236,409,770</u>
As at December 31, 2017	<hr/>							
Cost	50,816,396	9,273,002	81,738,062	82,150,371	232,294,469	1,848,381	520,000	458,640,681
Surplus from asset revaluation	58,549,604	-	-	-	-	-	-	58,549,604
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(8,020,952)</u>	<u>(20,959,136)</u>	<u>(62,668,025)</u>	<u>(187,284,024)</u>	<u>(1,848,378)</u>	<u>-</u>	<u>(280,780,515)</u>
Net book value	<u>109,366,000</u>	<u>1,252,050</u>	<u>60,778,926</u>	<u>19,482,346</u>	<u>45,010,445</u>	<u>3</u>	<u>520,000</u>	<u>236,409,770</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

As at December 31, 2018 and 2017, the fair value of land is assessed using the market approach by an independent professionally qualified valuer, who has experience in the location and type of land (Level 2 of fair value hierarchy). There were no changes in the valuation technique during the period.

As at December 31, 2018, the gross carrying amounts of fully depreciated plant and equipment that are still in use as included in the consolidated and separate financial statements were Baht 214,481,343 and Baht 214,363,136 (As at December 31, 2017 : Baht 175,408,240 and Baht 175,308,724), respectively.

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

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

As December 31, 2018 and 2017, leased assets under the financial lease agreement, where the Group is the lessee, comprise vehicle, furniture and fixtures, office equipment and computer equipment as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost	552,000	552,000	-	-
Less Accumulated depreciation	(165,449)	(55,049)	-	-
Net book value	386,551	496,951	-	-

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

17. INTANGIBLE ASSETS

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

	Baht	
	Consolidated financial statements	Separate financial statements
For the year ended December 31, 2017	69,593,225	38,553,176
Opening net book value		
Additions	10,318,000	9,494,000
Disposal - cost	(843,100)	(843,100)
- accumulated amortisation	572,014	572,014
Amortization charge	(17,462,059)	(12,559,822)
Closing net book value	<u>62,178,080</u>	<u>35,216,268</u>
As at December 31, 2017		
Cost	124,748,682	85,778,373
<u>Less</u> Accumulated amortization	<u>(62,570,602)</u>	<u>(50,562,105)</u>
Net book value	<u>62,178,080</u>	<u>35,216,268</u>
For the year ended December 31, 2018		
Opening net book value	62,178,080	35,216,268
Transfer in	914,738	-
Additions	20,511,442	19,551,442
Amortization charge	(17,661,712)	(12,463,476)
Closing net book value	<u>65,942,548</u>	<u>42,304,234</u>
As at December 31, 2018		
Cost	146,174,862	105,329,815
<u>Less</u> Accumulated amortization	<u>(80,232,314)</u>	<u>(63,025,581)</u>
Net book value	<u>65,942,548</u>	<u>42,304,234</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

18. DEFERRED INCOME TAXES

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

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

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

	Baht			
	Consolidated financial statements			
	Debit (credit) to			
	As at January	Other		As at December
1, 2018	Profit or loss	comprehensive	income	31, 2018
Deferred tax assets:				
Allowance for doubtful accounts	10,197,587	(4,871,842)	-	5,325,745
Allowance for doubtful account receivable				
disposal investments	925,667	-	-	925,667
Allowance for obsolete and slow-moving inventories	2,290,705	68,245	-	2,358,950
Allowance for inventory cost in excess of net				
realisable value	45,350	(13,289)	-	32,061
Discount from purchase of business under common				
control recognised as intangible assets for tax purpose	16,205,479	(2,500,000)	-	13,705,479
Difference between accounting base and tax base from				
- value of property, plant and equipment	2,975,580	(532,092)	-	2,443,488
Provision for goods returned	136,162	24,252	-	160,414
Employee benefit obligations	3,419,893	680,965	-	4,100,858
Taxable loss carried forward	35,585,823	(12,835,597)	-	22,750,226
Total deferred tax assets	<u>71,782,246</u>	<u>(19,979,358)</u>	<u>-</u>	<u>51,802,888</u>
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Gain on measurement of available-for-sale investments	(133,472)	-	(167,515)	(300,987)
Assets and intangible assets under financial lease and				
hire-purchase agreements (net)	(1,581,678)	1,063,331	-	(518,347)
Total deferred tax liabilities	<u>(13,425,071)</u>	<u>1,063,331</u>	<u>(167,515)</u>	<u>(12,529,255)</u>
Deferred tax assets (net)	<u>58,357,175</u>	<u>(18,916,027)</u>	<u>(167,515)</u>	<u>39,273,633</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

	Baht			
	Consolidated financial statements			
	Debit (credit) to			As at December 31, 2017
	As at January 1, 2017	Profit or loss	Other comprehensive income	
Deferred tax assets:				
Allowance for doubtful accounts	8,914,550	1,283,037	-	10,197,587
Allowance for doubtful account receivable disposal investments	-	925,667	-	925,667
Allowance for obsolete and slow-moving inventories	2,478,499	(187,794)	-	2,290,705
Allowance for inventory cost in excess of net realisable value	57,249	(11,899)	-	45,350
Discount from purchase of business under common control recognised as intangible assets for tax purpose	18,705,479	(2,500,000)	-	16,205,479
Difference between accounting base and tax base from				
- value of property, plant and equipment	3,522,409	(546,829)	-	2,975,580
- other intangible assets	2,843,530	(2,843,530)	-	-
Liabilities under financial lease and hire-purchase agreements (net)	696,716	(696,716)	-	-
Provision for goods returned	88,450	47,712	-	136,162
Employee benefit obligations	3,693,266	176,317	(449,690)	3,419,893
Taxable loss carried forward	21,634,146	13,951,677	-	35,585,823
Total deferred tax assets	62,634,294	9,597,642	(449,690)	71,782,246
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Gain on measurement of available-for-sale investments	(56,008)	-	(77,464)	(133,472)
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(3,217,270)	1,635,592	-	(1,581,678)
Total deferred tax liabilities	(14,983,199)	1,635,592	(77,464)	(13,425,071)
Deferred tax assets (net)	47,651,095	11,233,234	(527,154)	58,357,175

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

	Baht			As at December 31, 2018
	Separate financial statements			
	Debit (credit) to			
	As at January 1, 2018	Profit or loss	Other comprehensive income	
Deferred tax assets:				
Allowance for doubtful accounts	10,197,587	(4,871,842)	-	5,325,745
Allowance for obsolete and slow-moving inventories	2,290,705	68,245	-	2,358,950
Allowance for inventory cost in excess of net realisable value	45,350	(13,289)	-	32,061
Provision for goods returned	136,162	24,252	-	160,414
Employee benefit obligations	2,235,760	764,993	-	3,000,753
Taxable loss carried forward	28,478,324	(12,912,439)	-	15,565,885
Total deferred tax assets	43,383,888	(16,940,080)	-	26,443,808
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(794,248)	506,331	-	(287,917)
Total deferred tax liabilities	(12,504,169)	506,331	-	(11,997,838)
Deferred tax assets (net)	30,879,719	(16,433,749)	-	14,445,970

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

	Baht			As at December 31, 2017
	Separate financial statements			
	Debit (credit) to			
	As at January 1, 2017	Profit or loss	Other comprehensive income	
Deferred tax assets:				
Allowance for doubtful accounts	8,914,550	1,283,037	-	10,197,587
Allowance for obsolete and slow-moving inventories	2,474,921	(184,216)	-	2,290,705
Allowance for inventory cost in excess of net realisable value	57,249	(11,899)	-	45,350
Difference between accounting base and tax base from useful lives of intangible asset	2,843,530	(2,843,530)	-	-
Liabilities under financial lease and hire-purchase agreements (net)	202,039	(202,039)	-	-
Provision for goods returned	88,450	47,712	-	136,162
Employee benefit obligations	2,622,927	5,018	(392,185)	2,235,760
Taxable loss carried forward	15,490,204	12,988,120	-	28,478,324
Total deferred tax assets	<u>32,693,870</u>	<u>11,082,203</u>	<u>(392,185)</u>	<u>43,383,888</u>
Deferred tax liabilities:				
Surplus from land revaluation	(11,709,921)	-	-	(11,709,921)
Assets and intangible assets under financial lease and hire-purchase agreements (net)	(1,872,840)	1,078,592	-	(794,248)
Total deferred tax liabilities	<u>(13,582,761)</u>	<u>1,078,592</u>	<u>-</u>	<u>(12,504,169)</u>
Deferred tax assets (net)	<u>19,111,109</u>	<u>12,160,795</u>	<u>(392,185)</u>	<u>30,879,719</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

19. OTHER NON-CURRENT ASSETS

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

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

21. TRADE AND OTHER ACCOUNTS PAYABLE

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

22. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

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

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

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

- On March 1, 2012, the Group entered into long-term loan facilities agreement with a commercial bank denominated in Thai Baht in the amount of Baht 100 million for purchasing land and buildings for new office. This borrowing bears interest at the rate of MLR - 1.25% and interest is payable on a monthly basis. The principal is repayable in 60 equal - monthly installment of Baht 2,030,000 each, commencing August 2013. The Group has mortgaged its lands (Note 16). There is no restriction related to maintain the financial ratio from a bank. As at December 31, 2018, the borrowing under loan agreement has fully paid. (As at December 31, 2017: Baht 5,750,329).
- On July 13, 2017, the Company entered into a long-term loan agreement with a local commercial bank at the total amount of Baht 32.50 million for investment in a new subsidiary “ 3-RD Co.,Ltd.” and interest rate at MLR - 1% to MLR - 1.25 % per annum. Repayment of the principal and interest are 60 equal monthly installments of Baht 630,000 each, commencing August 2017. The loan is secured by partial land and buildings of the Company. There is no restriction related to maintain the financial ratio from a bank. As at December 31, 2018, the borrowing under loan agreement has an outstanding amount of Baht 16,037,253 (As at December 31, 2017 Baht 30,573,427).

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

23. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

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

As at December 31, 2018, a subsidiary has engaged in 1 outstanding financial lease agreement, with one local company to acquire computer, office equipment and vehicle. The repayments are 24 equal monthly installments until 2019. The assets ownership transfer shall be made after the final installment.

Minimum payments to be made for the financial and hire-purchase agreements are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Due for payment within				
1 year	258,509	276,000	-	-
1 year - 5 years	-	138,000	-	-
	258,509	414,000	-	-

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

24. OTHER CURRENT LIABILITIES

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

25. EMPLOYEE BENEFIT OBLIGATIONS

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

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

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

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

During 2018, the Company and subsidiaries have transferred staff between each other in order to improve the working system and chain of command for a better flexibility.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

The principal actuarial assumptions used were as follows:

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

Sensitivity analysis for each significant assumption is as follows:

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

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions, the projected unit credit method is used.

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

26. WARRANTS

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

As at December 31, 2018, the details of warrants to purchase ordinary shares No.2 (TVD-W2) are as follows:

Type of warrants	: Issued in the names of respective holder and negotiable
Term of warrants	: 3 years from the issuing date
Number of warrants offered	: 162,573,338 units
Exercise ratio	: 1 warrant per 1 ordinary shares (which will be changeable)
Exercise price	: Baht 1 per unit
Trading date	: April 30, 2018
Exercise date	: On the last business day of June and December of each year, throughout the term of the warrants and the first exercise date is the last business day of June 2018.
The last exercise date	: April 2, 2021

Annual General Meeting of Shareholders held on March 30, 2018 has the resolution to approve the issuance of warrants to purchase newly issued ordinary share of the Company No. 2 (TVD-W2) amounting to 162,573,338 units to the existing shareholders free of charge at the ratio of 4 ordinary shares to 1 warrant.

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

27. SHARE CAPITAL AND PREMIUM ON SHARE

	Consolidated/Separate financial statements			
	Number of share	Baht		
		Ordinary share	Share premium	Total
Registered share capital				
As at January 1, 2017	682,500,070	341,250,035	-	341,250,035
Increase in registered share capital	-	-	-	-
As at December 31, 2017	682,500,070	341,250,035	-	341,250,035
Increase in registered share capital	(32,206,720)	(16,103,360)	-	(16,103,360)
Increase capital during the year	162,573,338	81,286,669	-	81,286,669
As at December 31, 2018	<u>812,866,688</u>	<u>406,433,344</u>	<u>-</u>	<u>406,433,344</u>
Issued and fully paid-up share capital				
As at January 1, 2017	650,293,350	325,146,675	422,995,715	748,142,390
Increase in registered share capital	-	-	-	-
As at December 31, 2017	650,293,350	325,146,675	422,995,715	748,142,390
Share premium used to compensate the deficits	-	-	(29,999,639)	(29,999,639)
Warrant exercised (Note 26)				
Increase capital during the year	21,915	10,958	10,958	21,916
As at December 31, 2018	<u>650,315,265</u>	<u>325,157,633</u>	<u>393,007,034</u>	<u>718,164,667</u>

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

- To approve the decrease in registered capital from 682,500,070 shares at the par value of Baht 0.50 per share, totaling Baht 341,250,035 to 650,293,350 shares at the par value of Baht 0.50 per share, totaling Baht 325,146,675, by decreasing 32,206,720 shares at the par value of Baht 0.50 per share, totaling Baht 16,103,360. The Company has registered the capital decrease on April 10, 2018.
- To approve the increase in registered capital from 650,293,350 shares at the par value of Baht 0.50 per share, totaling Baht 325,146,675, to 812,866,688 shares at the par value of Baht 0.50 per share, totaling Baht 406,433,344 by the issuance of 162,573,338 shares at the par value of Baht 0.50 per share, totaling Baht 81,286,669 to support the exercise of the warrants No. 2 (TVD-W2). The Company has registered the capital increase on April 11, 2018.
- To approve to transfer share premium of Baht 29,999,639 and legal reserve Baht 3,802,569 to offset with the Company's deficit. The offset had no effect to the total shareholders's equity.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

28. DIVIDEND PAYMENT AND LEGAL RESERVE

Company

2018

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

Subsidiaries

2018

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

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

2017

According to the Board of Directors' Meeting No. 3/2017 of TVD Shopping Co., Ltd. "subsidiary" dated August 9, 2017, the meeting had approved the resolution to pay the interim dividend from retained earnings as at June 30, 2017 to the shareholders at Baht 0.44 per share, total amount of Baht 38,950,000 and set aside as legal reserve at 5% of retained earnings as at June 30, 2017 in the amount of Baht 2,050,000. The payment of dividend is scheduled on August 30, 2017.

According to the Board of Directors' Meeting No.8/2017 of TVD Services Co., Ltd. "subsidiary" dated August 7, 2017, the meeting had approved to pay the interim dividend from retained earnings as at June 30, 2017 to the shareholders at Baht 17.50 per share in the total amount of Baht 7,000,000 and set aside as legal reserve at 5% of retained earnings as at June 30, 2017 in the amount of Baht 406,191. The payment of dividend is scheduled on August 18, 2017.

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

29. LEGAL RESERVE

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

Under the Public Companies Act, the Group is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

30. NON-CONTROLLING INTEREST

	Baht	
	Consolidated/Separate financial statements	
	2018	2017
Opening balance	131,180,630	158,386,989
Increase from acquisition of investment in subsidiaries	-	6,166,125
Set up new subsidiaries	-	9,000,000
Reduction of the capital in subsidiaries	-	(35,000,000)
Share of net profit (loss) of subsidiary	10,247,962	10,366,860
Dividend payment to non-controlling interest	(9,975,002)	(13,632,536)
Disposal of investment in subsidiaries (Note 14)	-	(4,106,808)
Ending balance	<u>131,453,590</u>	<u>131,180,630</u>

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

31. OTHER INCOME

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

32. EXPENSES BY NATURE

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

33. FINANCE COSTS

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

34. INCOME TAX

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

35. EARNINGS (LOSS) PER SHARE

35.1 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

35.2 Diluted earnings (loss) per share

The diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares that are warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. This calculation defines the number of ordinary shares to be added and ordinary shares held by outside party in calculating diluted earnings (loss) per share. No adjustment is made to earnings (loss).

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

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

37. RELATED PARTY TRANSACTIONS

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

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

Relationship between company and related parties:

Related company name	Nationality	Relationship
TVD Shopping Co., Ltd.	Thailand	Subsidiary
TVD Services Co., Ltd.	Thailand	Subsidiary
Last Mile Direct (Thailand) Co., Ltd.	Thailand	Subsidiary
TVD Broker Co., Ltd.	Thailand	Subsidiary
Magik Pivot Co., Ltd.	Thailand	Subsidiary
3-RD Co., Ltd.	Thailand	Associate
Soft Dabu Co., Ltd.	Thailand	Shareholder of Magik Pivot Co., Ltd.
momo.com Inc.	Taiwan	Shareholder of TVD Shopping Co., Ltd.

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

The following significant transactions were carried out with related parties as follows:

a) Sale of goods and services and others for the years ended December 31, 2018 and 2017

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

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

		Separate financial statements		
		As at December 31, 2018 (Baht)		
Short-term loan to a subsidiary	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 9)	Total
Last Mile Direct Co., Ltd.	3%	5,800,000	18,230	5,818,230
		Separate financial statements		
		As at December 31, 2017 (Baht)		
Short-term loan to a subsidiary	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 9)	Total
Last Mile Direct Co., Ltd.	3%	4,800,000	12,230	4,812,230

Outstanding short-term loan to the subsidiary represents unsecured loan denominated in Thai Baht. The loan is due at call.

e) Short-term loan to associate as at December 31, 2018 and 2017:

		Consolidated/Separate financial statements		
		As at December 31, 2018 (Baht)		
Short-term loan to associate	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 9)	Total
3-RD Co., Ltd.	5%	4,750,000	174,726	4,924,726
		Consolidated/Separate financial statements		
		As at December 31, 2017 (Baht)		
Short-term loan to associate	Interest rate (% per annum)	Short-term loan	Interest receivable (Note 9)	Total
3-RD Co., Ltd.	5%	14,500,000	61,575	14,561,575

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

f) Short-term loan from related parties as at December 31, 2018 and 2017

Outstanding short-term loan from related persons is the promissory note denominated in Thai Baht. The loan is due at call.

		Separate financial statements (Baht)		
		As at December 31, 2018		
Short-term loan from subsidiary	Interest rate (% per annum)	Short-term loan	Prepaid interest (Note 21)	Total
TVD services Co., Ltd.	3%	15,000,000	38,219	15,038,219

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

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

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

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

38. Financial instruments

a) Foreign currency exchange rate risk

At December 31, 2018 and 2017, the settlement dates on open forward contracts ranged between 1 month to 6 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts were:

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

Net fair values

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

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

The fair values of the forward foreign exchange contracts have been calculated using rates quoted by the Group's bankers to terminate the contracts at December 31, 2018 and 2017.

b) Interest rate risk

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

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

39. COMMITMENTS

39.1 Commitments under letter of guarantee

In the normal course of its business, the Company provides letter of guarantees and letter of credit generally issued by the banks to its suppliers for the purchases of goods, airtime rental and electricity.

As at December 31, 2018 and 2017, the Company has letter of guarantees and letter of credits issued on behalf of the Group as follows:

	Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Letters of guarantee for				
Goods (Note 19)	174.48	159.73	174.48	159.73
Airtime rental (Note 19)	8.77	10.03	2.55	8.53
Electricity	1.20	1.21	-	1.21
	184.45	170.97	177.03	169.47

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

39.2 Commitments under the agreements

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

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

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

39.3 Capital commitments

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

40. EVENTS AFTER THE REPORTING PERIOD

- 40.1 On January 31, 2019, the Company terminated the business cooperation agreement with Spring News Corporation Company Limited (“SPC”) and will negotiate a new agreement. If agreed, a new agreement will be made to be enforced and replaced. If agreement cannot be reached, both agreements will be terminated from August 1, 2019 onwards.
- 40.2 At the Board of Directors’ Meeting No. 2/2019 held on February 26, 2019, it had the resolution to pay the dividends from net profit 12 months ended December 31, 2018 to the shareholders at Baht 0.08 per share, totaling Baht 52,024,125 and allocate the legal reserve at the rate 5 percent from net profit in the amount of Baht 3,107,068. The Company already paid interim dividends at Baht 0.05 for Baht 32,514,667 and set aside legal reserve of Baht 1,896,054 on December 12, 2018. Therefore, the Company will pay additional dividend at Baht 0.03 per share in the amount of Baht 19,509,458 and set aside additional legal reserve for Baht 1,211,014. The dividend will be paid to the shareholders on April 29, 2019.
- 40.3 At the Board of Directors’ Meeting of TVD Shopping Co., Ltd. “the subsidiary” No. 1/2019 held on February 25, 2019, it had the resolution to pay the dividends from retained earnings as at December 31, 2018 to the shareholders at Baht 0.55 per share, totaling Baht 38,000,000 and allocate the legal reserve at the rate 5 percent from net profit in the amount of Baht 2,000,000. The subsidiary already paid interim dividends at Baht 0.41 for Baht 28,500,000 and set aside legal reserve of Baht 1,500,000 on November 30, 2018. Therefore, the subsidiary will pay additional dividend at Baht 0.14 per share in the amount of Baht 9,500,000 and set aside additional legal reserve for Baht 500,000. The dividend will be paid to the shareholders within April 2019.

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

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

TV DIRECT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2018

- 1 The purchase price of SPTV's shares amounting to Baht 7,655,000 (Seven Million Six Hundred Fifty-Five Thousand Baht only) per month throughout the period of TV License, totally amounting to Baht 949,220,000 (Nine Hundred Forty-Nine Million Two Hundred Twenty Thousand Baht only); and
- 2 The service fee for production of news and information program amounting to Baht 1,055,000 (One Million Fifty-Five Thousand Baht only) per month and grant time sharing for sale of advertisement in the proportion of 30 percent of news and information produced by SPC with the value approximately Baht 540,000 (Five Hundred Forty Thousand Baht only) per month, totally Baht 1,595,000 (One Million Five Hundred Ninety-Five Thousand Baht only) per month.

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

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

42. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2017 have been reclassified to conform to the current period classification in the financial statements for the year ended December 31, 2018 with no effect to the previously reported net income or shareholders' equity.