



บมจ.0107537002109

บริษัท ดีมีเตอร์ คอร์ปอเรชั่น จำกัด (มหาชน)

Demeter Corporation Public Company Limited

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

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DCORP 160/2017

December 8, 2017

Re: Notification on the progress of the information in the financial statements of quarter no .3/ 2017 as requested by the Stock Exchange of Thailand

To: President
The Stock Exchange of Thailand

Demeter Corporation Public Company Limited (the "Company") has filed the reviewed financial statements of third quarter ended September 30, 2017 to the Stock Exchange of Thailand ("SET"). In order to make the investor to obtain the progress of the information show in the financial statements of quarter No.3/2017 for their investment decision in the Company's shares; therefore, the SET has requested the Company to clarify additional information to the SET as follows:

1. The progress of Blue Finix Digital Co., Ltd's business ("Blue Finix) and the revenue which the Company has been recognized while the Company has invested in Blue Finix in the proportion of 20 percent in the total value of 123.74 Million Baht (Angel on Duty and Finix TV have started incurred the commercial income on 8/60 and the Social Portal Media Platform has incurred the commercial income on 1/61)

According to the Company's investment in Blue Finix in the portion of 30 percent with the total value of 74.37 Million Baht, the Company has recognized such revenue since June 2017. Based on Blue Finix's third quarter financial statements, the total period for the revenue recognition is 4 months which has a revenue over 7.15 Million Baht. The major income is from the distribution of Gift to Angel on Duty and Finix TV. (Currently, Angel on Duty and Finix TV has combined in one platform). There is no revenue incur for Social Portal Media Platform as it is expect to recognize such revenue in the first quarter of 2018.

After Blue Finix has success in August 2017 from the press conference which has many well-known persons attending this event e.g. Mr. Katha Chinnabanchon, Konbaiklaikread Show, and Miss Supranational which the Company is the sponsor and the coordinator. The management of Blue Finix try to change the image to be the game competition by alliance with Electronics Extreme Co., Ltd., an importation games online company including the presentation of expansion plan in Vietnam in October 2017.



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However, Blue Finix is not able to increase the number of customer to achieve the target revenue due to the unstable system, no continuously advertisement and lack of strategic planning and marketing plan especially the budget allocation and the priority which effect the portion of the budget in marketing tools of the Company and the current economic status is not in a positive position.

The Company, therefore, propose to the Blue Finix's Board of Director's Meeting dated November 7, 2017 to let the Management of Blue Finix to make the clear financial and revenue plan to propose the draft to the Company's Board of Director to consider within November 14, 2017 which the Company has continuously follow the plan.

2. The Progress of broadcast football live in Philippines on December 1, 2017 which the Company invest in the amount of 30 Million Baht. Form of investment under which the Company and Triple CH Holdings Co., Ltd. ("Triple CH") will obtain the profit from the investment in the proportion of 35:65 and details of shareholders of Triple CH

- The progress of the project

Currently, the Company has already signed the Business Collaboration and Investment Agreement and paid for the consideration in the amount of Baht 10 Million on November 13, 2017 and another Baht 10 Million on November 30, 2017. On November 23, 2017, the Company has joined the press conference event regarding the opening of broadcasting football live at the ABS-CBN channel which is the most popular television station in Philippines. There is a number from mass media and honorable guest in sports industry would like to attend this event. The Company are in the negotiation process with Sponsorship Package and expect to summary the sponsor within the third week of December 2017. Upon the broadcasting live in December 2017, the Company shall immediately recognize the revenue in the first quarter of 2018.

- The investment model, the Company will obtain the profit in the portion of 35 percent and Triple CH will obtain the profit in the portion of 60 percent

Triple CH Holdings Company Limited, the company registered under the laws of Samoa and being the licensee who is authorized to broadcast live Premier League, UEFA Champions League and La Liga ("Football Leagues") in Philippines. For the joint investment between Triple CH and the Company, Triple CH invests in 65 percent, the details of which set forth in the Business Collaboration and Investment Agreement or profit sharing in the portion of 65 percent for the purpose of operation of business of



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broadcasting the Football Leagues in Philippines (the “Football Leagues Broadcasting Business”). In such agreements, the parties agree on the terms and conditions for the joint investment and sharing of profits (on pro rata basis) from the business of broadcasting the Football Leagues. The entry into such investment by the Company is considered the ordinary course of business of the Company. Details of the joint investment of Triple CH according to the Business Collaboration and Investment Agreement are as follows:

1. Triple CH, as the joint investor, will be responsible for (a) the production and broadcasting the Football Leagues and other related events which would support in achieving the maximum audience and (b) promotion and marketing, including creation of sponsorship packages for potential customers and procuring engagement with media agencies for advertising and marketing of the Football Leagues, and (c) financing arrangement for the Football Leagues Broadcasting Business.

2. Triple CH will receive 65 percent of profit generated from the live broadcasting of the Football Leagues after deducting costs and expenses incurred in connection with obtaining the rights to broadcasting the Football Leagues. Further, Triple CH agrees to guarantee its performance under the Business Collaboration and Investment Agreement for the period of 18 months from December 1, 2017 that the profit to be obtained by the Company must not be less than the investment amount paid by the Company.

- Specify the shareholder name of Triple CH

Triple CH has one shareholder which is Mr. Bernard Camacho Sumayao.

3. The business operation progress of Akkarawat Crop Rotation Energy Co., Ltd. (“Akkarawat”) The Company has paid for the shares in Akkarawat in the amount of 83.35 Million Baht and the revenue which the Company has already recognized. The period of PPA between Akkarawat and PEA, details of brokerage fee for the acquisition of shares in Akkarawat in the amount of 9.34 Million Baht including the reason and necessity that the Company paid the broker fee.

- The progress of the project

According to the study of capital structure, the Company found that the project has a low commercial feasibility due to the manufacturing cost is higher than expect. The high cost is consists of the transportation of wastewater from ethanol factory which is a material for manufacturing biogas to the factor, the distance is more than 30 kilometers and the cost for the wastewater treatment from the biogas manufacturing process. Therefore, the Company postpone the share acquisition with the existing



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shareholders two times. In the meantime, the Company try to find the new investor who specialize more than the Company in terms of management and technic operation system of the biogas power plant to handle this project. Currently, there is a potential investor from domestic and oversea, however, it is in the negotiation process.

- Terms of PPA between Akkarawat and PEA

The term of the Power Purchase Agreement with Provincial Electricity Authority falls under the category of Very Small Power Producer (VSPP) with its maximum capacity of not exceeding 4.9 MW. As long as the PPA is not terminated by each party, the term of the PPA is 5 years and shall be automatically renewed for a period of 5 years for each renewed term.

- Details of the broker for the acquisition of shares in Akkarawat in the amount of 9.34 Million Baht including the reason and necessity that the Company paid the broker fee

The company which is the broker for the acquisition of shares in Akkarawat is HD Commerce Company Limited, the company incorporated under the law of Thailand and has no relationship with the Company. The details are as follows:

General information of HD Commerce Company Limited

(1) General Information

Location : No. 2 Soi Chimplee 27, Chimplee Road,
Chimplee Sub-district, Talingchan District,
Bangkok

Nature of business : Energy saving business

(2) Director

Mr. Thanaprasit Techasen



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(3) List of shareholders as of November 4, 2017

(Par value Baht 100.00)

	Shareholder Name	Number of shares	Percent
1.	Mr. Thanaprasit Techasen	45,000	90
2.	Mrs. Kwanjai Techasen	4,000	8
3.	Mr. Sanhaphorn Techasen	1,000	2
Total		50,000	100

For this acquisition of shares, the broker company provide the project and being a representative with the existing shareholder of Akarawat to achieve this transaction.

4. Progress of obtaining The Marvel Experience rights from HV International LLC (“HVI”) in which the Company plans to invest in the proportion of 32.50 percent of shares in Hero Experience Co., Ltd. by subscribing the newly issued shares and acquiring the shares from the existing shareholders in total investment value of Baht 280 Million. The Tourism Authority of Thailand’s support in The Marvel Experience: Theme Entertainment Attraction - TMX project (“TMX”). Timeline for the construction of TMX project, and the date expected to receive commercial profits.

- Progress of acquiring The Marvel Experience rights from HVI

Hero Experience Co.,Ltd. (“Hero Experience”) has acquired the rights in the Marvel Experience Project from HVI, the US Company, and has already made the payment for acquiring such rights since August 2017. The Company is now under the negotiation process on commercial terms which will be reflected in the Shareholders Agreement between the Company and Hero Experience’s shareholders. The negotiation process is expected to be conclude, and share acquisition transaction is expected to be execute, within December 2017.

- The Tourism Authority of Thailand’s support in TMX project

On August 21, 2017, the executive officer of Hero Experience has met with the Minister of Tourism and Sports and the Tourism Authority of Thailand to discuss on driving the TMX as “Theme



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Entertainment Attraction” to promotes “Entertainment Tourism” which the main target group will be families and foreigners. The TMX project received a great support, one of which is to promote the project via travel calendar of Thailand in the year 2018 and road show on Thailand’s travelling fairs in foreign countries.

- Schedule for the construction of TMX project, and the date expected to receive commercial profits.

TMX project received the construction license and began the construction since September 2017. The project’s construction is expected to be completed and receive commercial profits within May 2017.

5. The date which the Company considers on further process to appeal in the litigation case where Southern Bangkok Civil Court has sentenced Muse Group Bangkok Co., Ltd. for repayment of the sponsorship in Thailand Classic Golf Tournament in the total amount of 92.33 Million Baht.

The Company is now waiting for the full details of the judgment to consider on facts and laws in order to file an appeal, which the appeal on the court’s judgment must be submitted within 30 days after the date of judgement. Nevertheless, the party desires to file an appeal can still ask for extension of time for appealing, giving that the appeal is yet to be done or with other reasons which rendered the party in failing to comply with the time limit for appeal. In this regard, the Company considers that the highest interest of the shareholders will take priority.

6. Clarification on the refund of deposit in the amount of 600,000 US Dollar (Baht 21.23 Million) from Negros PH Solar Inc. which was paid to the Company and allowance for non-refundable deposit of Baht 42.73 Million comprising of allowance for non-refundable deposit for 34.10 Million Baht and amortization of non-refundable deposits for 8.63 Million Baht.

The Company would like to clarify on investment amount and related expenses into 3 categories; investments which are expected to be recoverable, investments which are recoverable, and expenses which are non-recoverable. The details are as follows:

1. Investments which are expected to be recoverable, for total of 34,102,184.62 Baht, which comprise of 2 items;
 - 1) Deposit for rental of land, for total of Baht 22,398,461.41. Calculated from the exchange rate of 34.93 Baht per US Dollar on August 11, 2016.



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- 2) Investment in Associated Company and deposit, for total of 11,703,723.21 Baht. Calculated from the exchange rate of 35.39 Baht per US Dollar on January 27, 2017.

These 2 items are investment transactions specified in the contract which the Company signed together with NPSI's shareholders. The deposit was made in the Philippines Peso, but did not deposit with Escrow Agent. The Company recorded this amount under the investments which are expected to be recoverable because if there was an event of default in condition precedent, pursuant to Sale and Purchase Agreement of share in NPSI, the Company will has right to recover such amount from NPSI's shareholders, and if such shareholders do not repay the Company, the Company shall has right to litigate this matter as specified in the contract.

2. Investments which are recoverable (deposit for shares), for total of 21,234,000 Baht.

The deposit for shares is the investment transaction specified in the contract which the Company signed together with NPSI's shareholders. The deposit was made in the US Dollar for total of 600,000 US Dollar or approximately 21,234,000 Baht, which calculated from the exchange rate of 35.39 Baht per US Dollar on the date which such transaction was occurred, and deposit with Escrow Agent. Therefore, the Company recorded this amount under the investments which are recoverable.

The Company has received such deposit from Escrow Agent in full amount on November 28, 2017, after the company filed the letter describing the default of condition precedent under the Sale and Purchase Agreement of share in NPSI, and asked for recovery of deposit from the Escrow Agent with interest of such amount.

3. Expenses which are non-recoverable, for total of 8,631,184.50 Baht, which comprise of 5 items as per described in the table below;

The Company has hired the legal, financial and technical engineering consultants, all of which are expert in the area of works.

The Company considered that the consultants of the project has done their duties in accordance with terms and conditions set forth in the contracts. The Company, thus, paid the fee as stipulated in the contracts. Therefore, such fees are recorded as expenses which are non-recoverable.



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Following such explanation, it can be seen that the first transaction (investments which are expected to be recoverable) and third transaction (expenses which are non-recoverable) are the transactions which the Company has a chance not to immediately recover from NPSI's shareholders after the project was cancelled. The Company might have to pursue this matter by taking legal action to recover such amount. Therefore, the Company recorded in the account as allowance for deposit which are expected to be recoverable and expenses which are non-recoverable, in the total of 42,733,369.12 Baht.

For the second transaction (deposit for shares) in total amount of 21,234,000 Baht. The Company has received such amount promptly. As such amount was deposit with Escrow Agent, it will be transferred back to the Company in the event that the NPSI's shareholders default on condition precedent pursuant to the Sale and Purchase Agreement of share in NPSI. Therefore, the Company did not include this transaction under the deposit which are expected to be recoverable and expenses which are non-recoverable.

Details of Accounting Entry

1	Deposit for rental of land	amount	22,398,461.41
	Expenses for obtaining the construction license of the project		11,703,723.21
	Total: Investments which are expected to be recoverable		34,102,184.62
2	Deposit for shares	amount	21,234,000.00
	Total: Deposit for shares		21,234,000.00



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3	Legal consultant fee - KAP&Pri,estreet	amount	4,000,000.00
	Legal consultant fee - DFDL Singapore		1,129,761.93
	Financial consultant fee - IV Global (IFA)		1,000,000.00
	Shareholding structure consultant fee - Hunton & Williams		651,422.57
	Technical Engineering consultant fee -Owl energy-DD		1,850,000.00
	Total: Expenses (non-recoverable)		8,631,184.50

*****	Allowance for deposit which are expected to be recoverable	34,102,184.62
	Expenses which are non-recoverable	8,631,184.50
	Total	<u>42,733,369.12</u>

7. Solution for the performance of the Company, as consolidated financial statement for quarter 3/2560 shows that the Company only gains total profit (media business) for only 1.94 Million Baht.

The Company is now restructuring its profit structure as the former business, which is media business, becomes more competitive with less profits. In the present, the Company has cash flow approximately of more than 500 Million Baht ready to be invested, which the Company will focus on becoming Holding Company or entering into transaction involving in sale and purchase of shares or capital increase in the companies which are capable of creating long-term profits, e.g. the Marvel Experience project and other energy project such as solar thermal power plant, storage tank for commercial leases, oil storage facility, and project for producing wood pallet.



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For media business which are former business of the Company, in Thailand, the media market is becoming saturated and has low chance of growth. The Company is then interested to invest in media business which has characteristic of Niche Market, for example, live broadcast of football match in the Philippines which are expected to yield the share of profit to the Company no less than 2 Million Baht per month, of which yet to include other benefits and profits from relating business, and also has chance to grow in the future.

Please be informed accordingly

Yours sincerely

Demeter Corporation Public Company Limited

Teerawit Charuwat

(Mr. Teerawit Charuwat)

Director and Chief Executive Officer