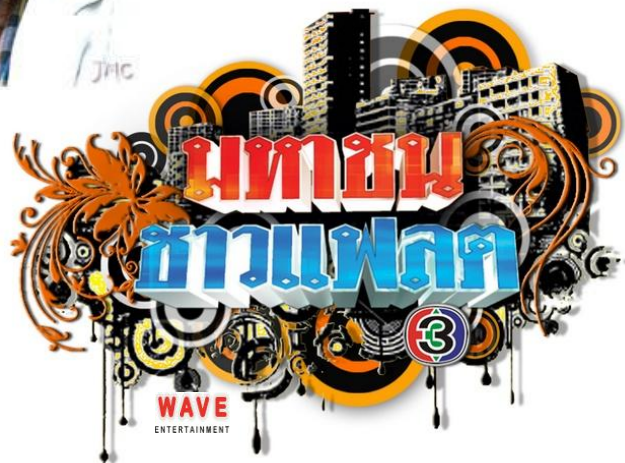




Annual Report 2009





Content **WAVE** ENTERTAINMENT

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Highlight Financial Information

(Million Baht)

Financial Highlight	2007	2008	2009
Total assets	572	525	533
Total liabilities	71	46	65
Total shareholders' equity	501	479	468
Total sales and services income	145	153	66
Total revenues	199**	175**	99**
Net profit (loss)	(200)	(23)	(11)

Financial Ratios	2007	2008	2009
Net profit (loss) margin (%)	(100.53)	(13.44)	(11.14)
Average return on shareholders' equity* (%)	(32.18)	(4.78)	(2.33)
Average return on total assets (%)	(29.08)	(4.28)	(2.09)

Information per share	2007	2008	2009
Net profit (loss) per share	(6.18)	(0.69)	(0.32)
Book value per share*	15.51	13.55	14.46

*excluding minority interests

**Total revenues : 2009 and 2007 comprised of Total Revenues from sales and services + Other income + Dividend income + Interest income + Gain on investments in marketable securities

: 2008 comprised of Total Revenues from sales and services + Other income + Dividend income + Interest income



General Information

Name	WAVE Entertainment Pcl. (Formerly name : CVD Entertainment Pcl.)
Head Office	Maleenont Tower 15th floor no.3199, Rama IV Road, Kwaeng Klongton, Khet Klongteo, Bangkok 10110 Tel. (02) 665-6705 Fax. (02) 665-6750 http://www.wave-groups.com
Register No.	0107536000978 (former : Bor Mor Jor 171)
Type of business	1. Television Programme Producer and distribution 2. Licensee and distributor of Thai drama series from Thai TV Color Channel 3 3. Sub -Lease spaces in department stores, 2 locations at Central Plaza Pinklao and Central Plaza Ratchada-Rama III, according to leasehold right of the company
Registration capital	Baht 324 Million (registered of decrease in paid – up capital to Ministry of Commerce on 24 July 2009)
Paid-up capital	Baht 324 Million
Number and type of share	32.4 million ordinary shares with a par value of baht 10.00 each

Details of Companies in which the Company hold 10% or more of shares

Name	CVD International Co., Ltd.
Head Office	Maleenont Tower 15th floor no.3199, Rama IV Road, Kwaeng Klongton, Khet Klongteo, Bangkok 10110 Tel. (02) 665-6705 Fax. (02) 665-6750
Type of business	Licensee and distributor of Thai drama series from Thai TV Color Channel 3 (be transferred all business to WAVE Entertainment Pcl. in 2009)
Issued shares	20 million ordinary shares with a par value of Baht 10.00 each
Name	CVD Media Co., Ltd. (Formerly name : Media Link Co., Ltd.)
Head Office	Maleenont Tower 15th floor no.3199, Rama IV Road, Kwaeng Klongton, Khet Klongteo, Bangkok 10110 Tel. (02) 665-6705 Fax. (02) 665-6750
Type of business	Sub -Lease spaces in department stores, 2 locations at Central Plaza Pinklao and Central Plaza Ratchada-Rama III, according to leasehold right of the company (be transferred all business to WAVE Entertainment Pcl. in 2009)
Issued shares	1 million ordinary shares with a par value of Baht 100.00 each

Name	CVD Organizer Co., Ltd.
Head Office	Maleenont Tower 15th floor no.3199, Rama IV Road, Kwaeng Klongton, Khet Klongteo, Bangkok 10110 Tel. (02) 665-6705 Fax. (02) 665-6750
Type of business	Events marketing service
Issued shares	0.1 million ordinary shares with a par value of Baht 10.00 each

Name	WAVE Media Production Co., Ltd. (Formerly name : CVDE Production Co., Ltd.)
Head Office	Maleenont Tower 15th floor no.3199, Rama IV Road, Kwaeng Klongton, Khet Klongteo, Bangkok 10110 Tel. (02) 665-6705 Fax. (02) 665-6750
Type of business	Television Programme Producer and distribution
Issued shares	0.5 million ordinary shares with a par value of Baht 10.00 each

Reference persons

Share registrar

Thailand Securities Depository Co.,Ltd.
Capital Market Academy Building, 2nd Fl.
2/7 Moo 4, (North Park Project)
Vibhavadi-Rangsit Road , Tung Song Hong, Laksi, Bangkok 10210
Tel. (02) 596-9000 Fax. (02) 832-4994-6

Auditor

Grant Thornton Limited
18th Floor Capital Tower All Seasons Place
87/1 Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Tel. (02) 205-8222 Fax. (02) 654-3339
Mr. Somkid Tiatragul, Certified Public Accountant (Thailand) No. 2785, and/or
Mrs. Sumalee Chokdeeanant, Certified Public Accountant (Thailand) No. 3322
have been appointed as auditors

Legal counsel

Dn36 Limited
471/3 G Floor, Lumpini Place – Narathiwatratchanakarin, Narathiwatratchanakarin
Road, Chongnonsee, Yannawa, Bangkok 10120
Tel. (02) 294-6914, 294-6916-7 Fax. (02) 294-6913

Financial advisor

Kiatnakin Securities Company Limited
AmarinTower, 7thFloor
500 PloenchitRoad., Pathumwan Bangkok 10330
Tel. 0-2680-2222 , Fax 0-2680-2233

Statement of the Board of Directors

To shareholders

WAVE Entertainment Public Company Limited's the 2009 operating results had total consolidated revenues of 66 Million Baht, net loss of 11.1 Million Baht, consisted of loss from operation of 3.4 Million Baht, as well as total consolidated assets of 533.3 Million Baht. Most of total assets were cash and cash equivalents and current investments, represented 77% of total assets. A 89% of such investments were in form of deposits at financial institutions and investment in Government / BOT Bond. Total liabilities were 64.8 Million Baht. Such liabilities were operating liabilities. Total shareholders' equity was 468.5 Million Baht.

This year , the Company run core business relevant to television programme producing, sales of rights on drama series in form of VCDs and DVDs and sublease service. Presently, we are exploring new media and entertainment related businesses to synergize the existing business as well as to reduce risks in order to sustain the company in the long run.

The Company received a rating of Very Good from the Securities and Exchange Commission, in association with the Thai Investors Association and the Listed Companies Association, in their assessment of our Annual General Meeting 2009, as well as a rating of Very Good in Corporate Governance Report of Thai Listed Companies 2009 from the Securities and Exchange Commission, the Stock Exchange of Thailand and the Thai Institute of Directors (IOD).

As well as, the Company realizes the operation with Good Corporate Governance, establishing confidential among shareholders, investors and other groups of stakeholders concerned. Therefore, the Board of Directors will concentrate on monitoring the company to follow such practice continuously and consistency in order to sustain the company in the long run.

On behalf of the Board of Directors, I would like to send my appreciation to the involvement and interests from our valuable shareholders, investors, customers, strategic partners, financial institutions, government agencies, private agencies and the press for their supporting and also executives and all employees for accountability co-operation to develop the company to be the international professional enterprise, creating strengthen fundamental to achieve long term objective and stability further.



(Mr. Pracha Maleenont)
Chairman of the Board of Directors
On behalf of the Board of Directors

Report of the Audit Committee

The Audit Committee of WAVE Entertainment Public Co. Ltd. consists solely of three independent directors with the authority, duties, and responsibilities set forth by the Securities & Exchange Commission i.e. Mrs. Sudjit Divari as Chairman of the Audit Committee, Mr. Somsak Phayapdacharchai and Mr. Montree Sornpaisarn as the Audit Committee Member.

The Audit Committee has always performed its work in accordance with duties and responsibilities that assigned by the Board of Directors and prescribed under the charter of Audit Committee .

During the year 2009, the Audit Committee met totally 5 times together with the Internal Audit Office, the Management, the Corporate Finance Department, and the External Auditors every quarter depending on the relevant agenda which can be concluded as follows:

1. **Review accurate and adequate financial reports:** Review that the company's financial statements were presented accurately and adequately. Finalizing the interim and 2009 annual financial statements with the external auditors of the Company, and the Management by questioning, discussing and advising on certain issues and matters relating to the company's financial reports.

The Audit Committee is of the opinion that the financial statements of the company and its subsidiaries for the year 2009 were prepared in accordance with generally accepted accounting standards and were presented accurately and fairly with adequate information disclosure.

2. **Review suitable and efficient internal control and internal audit systems, review the independence of internal audit office as well as approve the appointment, transfer and dismissal of the chief of an internal audit office.** Approve internal audit plans, performance assessment and evaluate and review internal audit reports including the evaluation of the adequacy of the company's internal control system.

The Audit Committee found the company to have appropriate and adequate internal control and audit systems.

3. **Review compliance with laws pertaining to securities and the stock exchange, regulations of the Stock Exchange of Thailand and laws concerning company business.**

The Audit Committee found the company to comply with relevant rules and regulations.

4. **Consider, select, recommend fees and nominate the company's auditors.** Proposing to the company's Board of Directors to recommend at the shareholders' meeting the appointment of Mr.Pisit Chiwaruangoch and/or Mr.Methee Ratanasrimetha , Auditors from M.R. & ASSOCIATES CO., LTD. as the Company's auditors for fiscal year 2010 as they are independent auditors with the authority, duties, and responsibilities set forth by the Securities & Exchange Commission.

5. **Consider the transactions with related parties and transactions with conflict of interest in line with relevant legislations and regulations.**

The Audit Committee found the transactions to be in order and are in the best interest of the company with adequate information disclosure.

6. Others :

- 6.1 Review the information disclosed to the Stock Exchange of Thailand and the Securities & Exchange Commission, as disclosed in the Company's annual report year 2009 (Form 56-2) and in the annual information disclosure form as at December 31, 2009 (Form 56-1).
- 6.2 Report the Audit Committee's activities to the Board of Directors periodically.
- 6.3 Review the Charter of Audit Committee to ensure that it is up-to-date and suitable for the organization environment.
- 6.4 In the year 2009, the Audit Committee held one meeting with the external auditors without the company's management.
- 6.5 The record of attendance of the Audit Committee members is summarized as follows:

List of Audit Committee	Number of Attendance / Total Meeting (Times)	
	Year 2009	Year 2008
1. Mrs.Sudjit Divari	5/5	7/7
2. Mr.Somsak Phayapdacharchai	5/5	7/7
3. Mr.Montree Sornpaisarn	5/5	4/4

On behalf of the Audit Committee



(Mrs.Sudjit Divari)
Chairman of the Audit Committee
12 February 2010

Board of Directors



Mr. Pracha Maleenont

Chairman,
Chief Executive Officer
Chairman of the Investment
Committee
Managing Director and
Authorized Director



**Mr. Soonthorn
Pokachaiyapat**

Director
Vice Chairman
and Chairman of the Nomination
and Remuneration Committee



Mr. Deja Tulananda

Director



Mr. Chansak Fuangfu

Independent Director



Dr. Cathleen Maleenont

Executive Director
A Member of the Investment
Committee and
A Member of the Nomination and
Remuneration Committee
Authorized Director



Ms. Tracy Ann Maleenont

Executive Director
Chairman of the Risk Management
Committee and
A Member of the Investment
Committee
Authorized Director



Mr. Matthew Kichodhan
Director



Mr. Montree Sornpaisarn
Independent Director and a
Member of Audit Committee



Mr. Somsak Phayapdacharchai
Independent Director and a
Member of Audit Committee



Mrs. Sudjit Divari
Independent Director ,
Chairman of the Audit
Committee,
A Member of the Nomination
and Remuneration Committee
and A Member of the Risk
Management Committee



Mrs. Monluedee Sookpantararat
Director , A Member of the Risk
Management Committee,
A Member of the Investment
Committee, CFO and Authorized
Director

Nature of business

WAVE Entertainment Pcl. (Former name : CVD Entertainment Pcl., registered of changing name on 30 April 2009) was first incorporated as Thai Magnetic Co.,Ltd., on September 19, 1988, by a group of executives of CVD Co.,Ltd., in joint venture with Electro Magnetic (S) Singapore Limited. The company's initial objective was to manufacture blank video tape cassettes (V-O) and video tape cassettes with magnetic tapes (V-cassettes). Presently, BEC World Pcl. is our largest shareholder, holding 17.98% of total shares net from treasury stocks.

In 2009 WAVE Entertainment Group had core business of Television Programme Producer and distribution, Licensee and distributor of Thai drama series from Thai TV Color Channel 3 and Sub -Lease spaces in department stores, 2 locations at Central Plaza Pinklao and Central Plaza Ratchada-Rama III, according to leasehold right of the company.

WAVE Entertainment Group had consisted of 1 active subsidiary : WAVE Media Production Co., Ltd. (Former name : CVDE Production Co., Ltd.) and 3 temporary terminated companies : CVD Organizer Co., Ltd., CVD International Co.,Ltd. and CVD Media Co.,Ltd., temporary terminated due to economic crisis and the resumption is up to the Company's future plan. (CVD International Co.,Ltd. and CVD Media Co.,Ltd. were transferred all business to WAVE Entertainment Pcl. in 2009)

The details of the operations of WAVE Group are as follows :

Company	Nature of Business
WAVE Entertainment Pcl. (WAVE)	<ul style="list-style-type: none"> Television Programme Producer and distribution Licensee and distributor of Thai drama series from Thai TV Color Channel 3 Sub -Lease spaces in department stores, 2 locations at Central Plaza Pinklao and Central Plaza Ratchada-Rama III, according to leasehold right of the company.
WAVE Media Production Co.,Ltd. (WAVE Media Production)	<ul style="list-style-type: none"> Television Programme Producer and distribution
CVD Media Co.,Ltd. (CVD Media)	<ul style="list-style-type: none"> Sub -Lease spaces in department stores, 2 locations at Central Plaza Pinklao and Central Plaza Ratchada-Rama III, according to leasehold right of the company. (be transferred all business to WAVE Entertainment Pcl. in 2009)
CVD International Co.,Ltd. (CVDI)	<ul style="list-style-type: none"> The licensee and distributor of Thai drama series from Thai TV Color Channel 3. (be transferred all business to WAVE Entertainment Pcl. in 2009)

Subsidiaries :

Revenues Structure of WAVE Group

(Million Baht)

Products / Services	Operated by	% Share Holding by WAVE	2007 Revenues	%	2008 Revenue s	%	2009 Revenue s	%
Total revenues								
Television Programme Producer and distribution	WAVE, WAVE MEDIA PRODUCTION ¹	99.99	0	0	50	29	56	57
Sales of copyrighted video CDs and DVDs	WAVE, CVDI, CVD MEDIA	99.99	125	63	20	13	6	6
Sales of movie copyrights	WAVE, CVD MEDIA	99.99	8	4	0	0	0	0
Sublease of spaces income	WAVE, CVD MEDIA	99.99	4	2	4	2	4	4
Publishing business ²	WAVE ² Day Poets ²	99.99	0	0	55	31	0	0
Event Marketing services	CVD ORGANIZER ¹	99.99	7	4	22	13	0	0
Sales of plastic cases	WAVE	-	1	0	0	0	0	0
Other income	All Companies		54	27	24	12	33	33
Total			199	100	175	100	99	100

Notes :

¹ Such company is newly established subsidiary on September 25,2007.

² on 3 February 2009. the company ,former shareholders of Day Poets Co.,Ltd. and former owner of right in head of 3 newspapers had entered into the unwind agreement effective from 1 December 2008, that unwind all agreements for sale and purchase of shares as if they have never occurred. The Company, therefore, include the operating results of Day Poet Co., Ltd. for five months (July-December 2008) and right in head of 3 newspapers for four months (August-December 2008) up to the date its ceased control of such company according to the agreement between the Company and former shareholder of such company.

Industry and competition

Television Programme Producer and distribution

In past year, economic had slightly improvement, directly effected to advertising industry. The overall spending on advertising in media had increased since August 2009 by 0.1% compare with prior year, especially TV media increased by 3.5%. due to continued highest viewership and pricing increment.

Presently, drama television programme had more highly competitive due to viewers' preference had been changed all the times. Thus, television programme producers must improve their programme continuously as well as TV broadcaster must improve by reschedule programme, arrange and modernize the programming format in order to attract as many viewers as possible. . Thus, the company has keeping its improvements by identify clear target, setup quality control, variety programme, select suitable outsourcing producers, modernize the programming format in order to keep attraction from target viewers. In 2009, the company has 3 programmes on air, the one of our programe "BanThuekKam", the drama about a "Cause-Effect Theory", known as Karma, "Pho Chae", the comedy programe and the rest is comedy sitcom "Mahachonchaoflat".



Risk Factors

In year 2009, the Company's core business were Television Programme Producer and distribution, Licensee and distributor of Thai drama series from Thai TV Color Channel 3 and Sub -Lease spaces in department stores, 2 locations at Central Plaza Pinklao and Central Plaza Ratchada-Rama III, according to leasehold right of the company.

Thus, risks of the year 2009 and at presently can be summarized as follows:

1.1 Foreign-exchange fluctuations

At present, the Company's core business are Television Programme Producer and distribution, Licensee and distributor of Thai drama series from Thai TV Color Channel 3 and Sub -Lease spaces in department stores, 2 locations at Central Plaza Pinklao and Central Plaza Ratchada-Rama III, according to leasehold right of the company, thus there is no other foreign currency transaction as well as no risk from foreign-exchange fluctuations.

1.2 Debtor Quality Management

At present, the Company's core business are selling services on credit terms, the Company may also face Debtor Quality Management risks from non-collectible debts.

However, the Company managed such risk by reviewing debtor's portfolio in aspects of background, financial status, setting and control credit limits, closely monitoring debt payments and also setting adequate provisions for doubtful debts.

1.3 Advertising expenses growth

According to WAVE Group's operating income, partly generated from advertising income, thus risk is advertising expenses growth. Such growth is depending on consumers' consumption and competitive situation of the firms. Although such factors are under control by the Company, we believe that they will not become the sever problems due to the major advertising expenses of television and radio media are generated from the firms of consuming products, big portion and high competition and new comers entry.

1.4 Replacement media

According to other replacement media on television media such as internet, satellite TV, digital TV, etc, we believe that it is not significant effect due to advertising expenses always used in the media reach to mass market. Although, new comer media, internet, is popular but it is the media reach to niche market only, thus it will not become the core media like television.

1.5 Television programme reallocation or commitment changing

According to the Company is Television Programme Producer, the reallocation Television Programme by TV broadcaster as well as commitment changing, reduction of time sharing, will affect the operating income.

The Company had realized such risk and reduces by continuously improve TV programme and keeps relationship with TV broadcasters, etc.

1.6 Changing in TV programme popular or consumers' trend

The operating income, generated from Television Programme Production, is depending on popular level of each programme due to advertising agency or product manufacturers always use such popular level of each programme to making decision of their advertising expenses. In addition, costs of television programme production are quite high. Thus, changing in TV programme popular or consumers' trend will affect the operating income.

The Company had realized such risk and reduces by having various programmes, creative, considering and quality control of each programme as well as continuously monitoring and assessing feedback from viewers and competitors, kept as information for programme development.

1.7 Legal disputes

As of December 31, 2009, The Company and its subsidiaries have both positive and negative legal dispute, which had significantly effect to the Company's assets as follows:

- Legal dispute, being under the court's consideration, had positive effects to the Company's assets which its legal amount (excluded any interests and expenses) is over/not over than 5% of total shareholders' equity of the Company and its subsidiaries as of December 31, 2009.

- ∞ The Company had pending litigation with former executive under which he had defaulted on Shareholder Agreement and running alike business. According to the Thai Arbitration Committee's result, he had been claimed for Baht 54.75 million. However, he had claimed against the Thai Arbitration Committee's result to Civil Court. This case is under the court's consideration.

- ∞ The subsidiary had pending litigation with former executive and his group under which he had illegal disbursement of salary/bonus to unemployed persons for Baht 45.54 million. This case is under the court's consideration.

- Legal dispute, being under the court's consideration, had negative effects to the Company's assets which its legal amount (excluded any interests and expenses) is not over than 5% of total shareholders' equity of the Company and its subsidiaries as of December 31, 2009.

- ∞ The subsidiary had pending litigation with a former executive for the cancellation of remunerations, termination of employment without compensation and advance notice, no compensation for such advance notice and no compensation for annual leaves. Labor Court officer had ordered the subsidiary to pay compensation amounting to Baht 9.40 million. The subsidiary has filed the appeal to the Central Labor Court and the Preliminary Court had passed such case. Later, the subsidiary has filed the appeal to the Court. The case is under the Court's consideration. However, this compensation of amount Baht 9.40 million had been recorded as expense during year 2007. The Company had already deposited such amount in the escrow account with the Court.

- ∞ In addition, such subsidiary had pending additional litigation with the former executive. Such executive had filed the case to the Central Labor Court claiming for the interest and surcharge on unpaid remunerations, compensation and termination compensation for advance notice, and compensation for annual leaves for the principal of Baht 9.40 million. He also claimed for Baht 13.75 million for unfair termination of employment and Baht 3.63 million for the cumulative benefits. The case has been dismissed by the Central Labor Court on 25 July 2008. Such former executive had appealed to dispute the verdict to the Supreme Court, but did not appeal on the cumulative benefits. At the present this case is under the process of Supreme Court.

- ∞ The Company itself also had pending litigation with such former executive whereby such former executive lodged claim to the Company for Baht 10.02 million for litigation against him by a third party for the duty undertaken on behalf of the Company. The case has been dismissed by the Central Labor Court on 1 September 2008. Such former executive had filed an appeal against the verdict of the Appeal Court. At present this case is still under the process of the Court.

However, The Company and its subsidiaries have legal dispute, caused from normal operations, which its legal amount (excluded any interests and expenses) is not over than 5% of total shareholders' equity of the Company and its subsidiaries as of December 31, 2009.

Capital Structure

(1) Shareholders

- The names of the top 10 shareholders (as of the last closing share transfer date on October 15, 2009) are as follows:

	Name	No. of Shares	% of the total outstanding shares
1.	BEC World Plc.	5,825,000	17.98
2.	Ms. Cathleen Maleenont	3,584,279	11.06
3.	Ms. Tracy Ann Maleenont	3,559,279	10.99
4.	Ms. Suphattra Paiboonphanuphong	2,093,400	6.46
5.	Mr. Virat Udomsinwattana	1,654,300	5.11
6.	Ms. Nattawan Piyamahachot	1,259,800	3.89
7.	Mr. Veerasak Boonvornmethee	1,200,000	3.70
8.	Ms. Lukana Jirakal	1,087,200	3.36
9.	Mrs. Suwimol Leesuwana	984,200	3.04
10.	Ms. Umarin Boonnak	900,000	2.78
	Total	22,147,458	68.37

Source: the name list of shareholders of WAVE Entertainment Plc. as of October 15, 2009.

- Major shareholders group who virtually have material influences over the company's policy setting, management and operation are as follows:

- Major shareholders group, represented by Ms. Cathleen Maleenont, Ms. Tracy Ann Maleenont act as Executive Director.

- In July 2009, the Company had registered the decrease in paid – up capital to Ministry of Commerce, according to the resolution of the Shareholders' meeting No. 16/2009 held on April 29, 2009, resulting from the result of the unwind agreement : unwind the former agreement for sale and purchase of shares as if it has never occurred with former shareholders of Day Poets Co.,Ltd., and former owner of rights in head of 3 newspapers. Therefore, Registration capital and Paid-up capital after such registration will be Baht 324 Million, comprised of 32.4 million ordinary shares with a par value of baht 10.00 each.

Corporate Governance Report

1. Management Structure

The Company's board of directors had set the company's vision, mission, strategy, goal, business plan and budget as well as monitored management team to run business with such business plan and budget efficiency and effectively in order to create maximize economic value to itself and shareholders. In addition, The Company's board of directors had set internal control system, internal audit and monitor operation consistency. The Company's board of directors had also clearly separate duty and responsibility of board of directors, sub committee and management team.

The Company's director structure comprised of 6 entities : the Board of Directors, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and Investment Committee.

1.1 The Board of Directors comprised of 3 groups as follows:-

<u>Group A</u>	Mr. Pracha Maleenont	Chairman Chairman of Investment Committee
	Ms. Tracy Ann Maleenont	Director Chairman of Risk Management Committee Member of Investment Committee
<u>Group B</u>	Dr. Cathleen Maleenont	Director Member of Investment Committee Member of the Nomination and Remuneration Committee
	Mrs. Monluedee Sookpantararat	Director Member of Risk Management Committee Member of Investment Committee
<u>Group C</u>	Mr. Soonthorn Pokachaiyapat	Vice Chairman Chairman of the Nomination and Remuneration Committee
	Mr. Deja Tulananda	Director
	Mr. Chansak Fuangfu	Independent Director
	Mr. Matthew Kichodhan	Director
	Mr. Montree Sornpaisarn	Independent Director Member of the Audit Committee (being Independent Director and Member of the Committee of the company only)
	Mr. Somsak Phayabdechachai	Independent Director Member of the Audit Committee (being Independent Director and Member of the Committee of the company only)
	Mrs. Sudjit Divari (she has adequate expertise and experience to review creditability of the financial reports) ¹	Independent Director Chairman of the Audit Committee Member of Nomination and Remuneration Committee Member of Risk Management Committee (being Independent Director and Member of the Audit Committee of the company only)
	Mr. Chatchai Thiamtong	The Advisor of the Board of Directors The Advisor of the Nomination and Remuneration Committee.
	Mrs. Chantira Simuangphan	the Advisor of the Risk Management Committee
	Mrs. Onanong Naowaratkoolchai	Secretary of the Board of Directors

In 2009, there was no transaction relevant to business relation or expertized service between Independent Director and the company, subsidiary, affiliated company, and other juristic person with potential of conflict of interest of the company.

Notes ¹ Mrs. Sudjit Divari has adequate expertise and experience to review creditability of the financial reports due to she was being Member of the Audit Committee in several listed companies.

1.2 The Executive Board , presently comprised of as follow:-

1. Mr. Pracha Maleenont	Chairman Chief Executive Officer Chairman of Investment Committee
2. Dr. Cathleen Maleenont	Director Executive Director Member of Investment Committee Member of the Nomination and Remuneration Committee
3. Ms. Tracy Ann Maleenont	Director Executive Director Chairman of Risk Management Committee Member of Investment Committee

Management team, presently comprised of as follow:-

- | | |
|----------------------------------|---|
| 1. Mr. Pracha Maleenont | Chief Executive Officer / Managing Director |
| 2. Ms. Tracy Ann Maleenont | Executive Director |
| 3. Dr. Cathleen Maleenont | Executive Director |
| 4. Mrs. Monluedee Sookpantararat | Chief Financial Officer |
| 5. Mrs. Chantira Simuangphan | Director of the Internal Audit Office |
| 6. Mr. Chokechai Tutiyaorn | Group Legal Director |

The Independent Directors must be independent of others and have qualifications as stated in requiring by SEC. Procedures of Independent Director's nomination are as follows:

-Having knowledge, various experience, leadership, strategies vision, professional and other proper qualifications as follow:-

1. Not holding shares exceeding 1 percent of the total outstanding voting shares of the company, including shares held by a related person, of paid-up capital of a listed company, its affiliated company, its associated company, or its related company (in accordance with the Securities and Exchange Act.B.E.2535).

2. Is neither a director that has a management authority nor employees, advisor on retainer, authority figures of the company, the company's major shareholder, a subsidiary, an associate, a subsidiary of the same tier (sister company), or any juristic person with a conflict of interest.

3. Is not involved in business relationship with the company, the company's major shareholder, a subsidiary, an associate, or any juristic person with a conflict of interest.

4. Is neither an auditor of the company, the company's major shareholder, a subsidiary, an associate, or any juristic person with a conflict of interest.

5. Is neither professional service provider for the company, the company's major shareholder, a subsidiary, an associate, or any juristic person with a conflict of interest.

6. Is neither person as described in no.2-5 both in the present and during two years prior to taking the independent directorship.

According to no.3 and no.5, Independent Directors may be involved in business relationship or being a professional service provider during directorship in any necessary and suitable case, permitted by the board of directors. However, such case is considered base on suitable and maximize value of the company that such relationship will not affect working on duty and independent judgment. In addition, the company should disclose the allowance guideline in Form 56-1 and annual report. In case of such director be the nominated persons to be directors to in replacement of those who are retired by rotation, the company should disclose such guideline in the election of director agenda in notice of shareholders' meeting.

7. No relationship by blood or legal registration, in a nature that makes the independent director a parent, spouse, brothers and sisters, children nor spouse of children of management, major shareholders, authority figures or nominees for management and authority figures of the company or a subsidiary.

8. Not be a representative of any director, substantial shareholder or any shareholder relative to substantial shareholder of the listed company.

9. Not be a director of the company, the subsidiary or the subsidiary in-line which be listed company.

10. Not be a director, assigned by the board of directors to make decisions relating to business operations of the company, the company's major shareholder, a subsidiary, an associate, a subsidiary of the same tier (sister company), or any juristic person with a conflict of interest.

11. Not be of any characteristic to resist the expression of independent opinion.

-The nomination procedure could use outsourcing to support the achievement of the Company's objectives.



Detail of meetings of the Shareholders, the Board of Directors, the Audit Committee and Sub-Committees for 2009 are as follows:

(unit : meeting)

Director / Advisor / Member of Sub-committee	Board of Directors (11 persons) 7 meetings/ year	Audit Committee (3 persons) 5 meetings/ year	Nomination and Remuneration Committee (3 persons) 1 meetings/ year	Investment Committee (4 persons) - meetings/ year	Risk Management Committee (3 persons) - meetings/ year	Annual General Meeting of Shareholders year 2009 Held on 29 April 2009
Board of Directors						
1. Mr. Pracha Maleenont	6/7					1
2. Mr. Soonthorn Pokachaiyapat	7/7		1/1			1
3. Mr. Deja Tulananda	5/7					-
4. Mr. Chansak Fuangfu	6/7					-
5. Dr. Cathleen Maleenont	5/7		1/1			1
6. Ms. Tracy Ann Maleenont	7/7					1
7. Mr. Matthew Kichodhan	5/7					1
8. Mr. Montree Sornpaisarn	7/7	5/5				1
9. Mr. Somsak Phayabdechachai	7/7	5/5				1
10. Mrs. Sudjit Divari	7/7	5/5	1/1			1
11. Mrs. Monluedee Sookpantararat	7/7					1
Advisor						
1. Mr. Chatchai Thiamtong	7/7		1/1			
Advisor of Risk Management Committee						
1. Mrs. Chantira Srimuangpan					-	

Notes -Independent Directors 4 persons : no. 4, 8, 9 and 10
 -the Audit Committee 3 persons : no. 8, 9 and 10.
 - the Nomination and Remuneration Committee 3 persons : no. 2, 5 and 10
 -the Investment Committee 4 persons : no. 1, 5, 6 and 11
 - the Risk Management Committee 3 persons : no. 6, 10 and 11

Directors' attending program of Thai Institute of Directors Association (IOD)

Directors	Directors Accreditation Program (DAP)	Program Directors Certification Program (DCP)	Audit Committee Program (ACP)
1. Mr. Soonthorn Pokachaiyapat	48/2005		
2. Mr. Chansak Fuangfu	9/2004		
3. Dr. Cathleen Maleenont	9/2004		
4. Mr. Matthew Kichodhan	57/2006	95/2007	
5. Mr. Montree Sornpaisarn	21/2004		
6. Mr. Somsak Phayabdechachai	49/2005		
7. Mrs. Sudjit Divari	34/2005	31/2003	5/2005
8. Mrs. Monluedee Sookpantararat	34/2005	31/2003	23/2008

Scope of Duties and Responsibilities of the Board of Directors

Directors have Scope of Duties and Responsibilities as follow;-

1. Legal principles stipulate that every director shall bear the fiduciary duties of overseeing the management of the company that it operates in the best interests of the shareholders, for whom the director is responsible. There are 4 principle fiduciary duties to which directors must perform, as follow;

- 1.1 Duty of Care
- 1.2 Duty of Loyalty
- 1.3 Duty of Obedience
- 1.4 Duty of Disclosure

And also act in accordance with Corporate Governance Policy and Code of Best Practice for Directors of Listed Company mandated by SET and SEC.

2.. According to the Company's Articles of Association, directors have the authority to direct and supervise the Company's operations, and those permitted to give their signature and affix the Company seal legally on behalf of the Company include two from Group A. (Mr. Pracha Maleenont and Ms. Tracy Ann Maleenont), except in other cases, either one from Group A. and either one from Group B (Dr. Cathleen Maleenont and Mrs. Monluedee Sookpantararat) jointly sign and affix the Company seal.

3. To set the company's vision, mission, business operating policy in order to create maximizes value to shareholders.

4. To review the business plan to ensure the company's highly efficient performance and competitiveness both in local and international.

5. To evaluate the company's overall operating results and management performance.

6. To oversee and develop risk management system as well as corporate governance policy to conformity with international standards.

7. Director shall not act in conflict with the interests of or in competition with the company.

8. To conduct the company complying with the laws, company's statement of incorporation and by-laws, the Company's Article of Association, as well as the resolution of the shareholders' meetings in good faith and prudent.

9. To promote awareness among employees at all level of business ethics and righteousness and the importance of control and internal audit system to reduce risks arising from fraud and abuse of authority, and to prevent illegality and misconduct.

10. To take good care of and protect the value of both major and minority shareholders with fairness and ensure that the disclosure of information is complete, transparent, and accountable.

11. To attend all board meetings and shareholders meeting and inform in advance in case of absent.

The Board of Directors shall get advice from independent advisor or expert for the necessary and suitable case.

The Board's term office

All directors shall be appointed for a 3-year term of office and may be re-elected after the end of the term.

The Company appoints new directors to replace those whose terms have expired, equivalent to one-third of all directors, every year, in accordance with the resolution of the shareholders' annual general meeting. All appointments must abide by the applicable practices for listed companies and the Company's regulations in every aspect.

Scope of Duties and Responsibilities of the Managing Director

The Managing Director has the authority and duties related to the Company's administration as assigned by the Board and must administer the Company's work in strict compliance with the plans or budgets approved by the Board. He must be honest and cautiously protect the benefits of the Company, shareholders and all parties with vested interests to the best of his ability and with full consideration for the potential risks that could adversely affect the whole organization. The authority and duties of the Managing Director are as follows:

1. Operate and administer the Company's daily work.
2. Fill vacancies, appoint, remove, transfer, promote, demote, cut salaries or wages, take disciplinary actions on personnel and employees, as well as release personnel and employees from their positions in accordance with the rules set by the Board of Directors. In cases involving management levels, prior approvals must be obtained from the Board of Directors.
3. Order the production and delivery of the Company's business policies, as well as work plans and budgets, to the Board of Directors for approval, and be responsible for reporting progress under the approved plans and budgets to the Board of Directors every three months when the Company's Board of Directors holds a meeting.
4. Supervise or operate in accordance with the policies, work plans and budgets approved by the Board of Directors.
5. The Managing Director's authority cannot be utilized in cases where the Managing Director may have vested interests or conflicts of interest in any aspect.

1.3 The Audit Committee comprises of :

- | | |
|--|---------------------------------|
| 1. Mrs. Sudjit Divari | chairman of the Audit Committee |
| 2. Mr. Somsak Phayabdechachai | member of the Audit Committee |
| 3. Mr. Montree Sornpaisarn | member of the Audit Committee |
| Mrs. Chantira Simuangphan is the Secretary of the Audit Committee | |
| Mr. Parinya Sutthiyong is the Assistant of Secretary of the Audit Committee. | |

The Audit Committee's term office

The term of office of the chairman and members is 3-year term of office and may be re-elected after the end of the term (on 21 December).

Scope of responsibilities

The Audit Committee has the following responsibilities:

1. To review the company's financial reporting process to ensure that it is accurate and adequate;
 2. To review the company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
 3. To review the company's compliance with the law on securities and exchange, the Exchange's regulations and the laws relating to the company's business;
 4. To consider the capability and the independence of an external auditor and propose to be appointed as the Company's auditor including the audit fee, as well as to attend a non-management meeting with the auditor at least once a year.
 5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the company;
 6. To report the governance activities of the Audit Committee in the company annual report, which must be signed by the chairman of the Audit Committee. The report has to consist of at least the following information:
 - (6.1) An opinion on the accuracy, completeness and reliability of the company financial reports,
 - (6.2) An opinion on the adequacy of the company internal control system,
 - (6.3) An opinion on the compliance with related laws i.e. the Securities and Exchange Act, the SET regulations, or the laws relating to the business of the company.
 - (6.4) An opinion on the suitability of the external auditor,
 - (6.5) An opinion on the transactions that may lead to conflicts of interest,
 - (6.6) The number of Audit Committee meetings, and the attendance of such meetings by each committee member,
 - (6.7) An opinion or comment the Audit Committee receives when performing its duties as specified in the audit committee charter.
 - (6.8) Other transactions the Audit Committee opines that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the company board of directors.
 7. To arrange the meeting at least 4 times per year in order to present the Audit Committee's reports to the Board of Directors, as well as to approve the appointment of the Audit Committee's secretary.
 8. To inspect any suspicious circumstance without delay whenever be informed the fact from the auditor and shall report the result of preliminary inspection to the Office of Securities and Exchange Commission (SEC) and the auditors within thirty days. Such circumstances were discovered by the auditor that the director, manager or any person responsible for the operation of the Company commits an offence under the Securities and Exchange Act such as falsehood, fraud, embezzlement, concealment, etc.
 9. To report the transactions or any acts which may materially affect the Company's financial condition and operation results to the Company's board of directors for rectification within the period of time that the audit committee thinks fit, according to the responsible on duty as follows:-
 - (9.1) conflicts of interest transactions
 - (9.2) fraud or irregularly item or significant failures of internal control system
 - (9.3) disobey of the Securities and Exchange Act, the SET regulations, or the laws relating to the business of the company.
- If the Company's board of directors or management fails to make a rectification within the such period of time, any audit committee member may report on such transaction or act to the Office of Securities and Exchange Commission (SEC) or the Securities and Exchange of Thailand (SET).
10. To do any other matters assigned by the board of directors of which the Audit Committee agrees.

1.4 The Nomination and Remuneration Committee

The Nomination and Remuneration Committee must have the following qualifications: be the Company's director who appointed by the Board of Directors, not less than 3 persons whom the majority are non - executive directors. The Nomination and Remuneration Committee comprises of :

1. Mr. Soonthorn Pokachaiyapat chairman of the Nomination and Remuneration Committee
2. Dr. Cathleen Maleenont member of the Nomination and Remuneration Committee
3. Mrs. Sudjit Divari member of the Nomination and Remuneration Committee

Mr. Chatchai Thiamtong the Advisor of the Nomination and Remuneration Committee
Mr. Parinya Sutthiyong is the Secretary of the Nomination and Remuneration Committee.

Scope of responsibilities

The Nomination and Remuneration Committee has the following responsibilities:

1. To select appropriate candidates to be appointed as new directors or Managing Director and to propose nominations to the Board of Directors' Meeting and/or the Shareholders' Meeting for approval.

- According to rules of Independent Director's selection, please see details in "Balance of Power for Non - Executive Directors"

2. To consider the directors, sub committees, Managing Director and management's remuneration principles to be fair and reasonable and to propose remunerations to the Board of Directors' Meeting and/or the Shareholders' Meeting for approval.

3. To consider the appointment, the promotion, the demotion, the recruitment, the relief, the retirement, the remuneration budget for increasing and changing all type of salary and remuneration and bonus of management level before proposing to the Board of Directors' Meeting for approval.

1.5 The Risk Management Committee comprises of :

1. Ms. Tracy Ann Maleenont chairman of the Risk Management Committee
 2. Mrs. Sudjit Divari member of the Risk Management Committee
 3. Mrs. Monluedee Sookpantarat member of the Risk Management Committee
- Mrs. Chantira Srimuangpan is the Advisor of the Risk Management Committee
Mrs. Onanong Nawaratkoolchai is the Secretary of the Risk Management Committee

Scope of responsibilities

The Risk Management Committee has the following responsibilities:

1. Determine overall risk management policies and propose these to the company's board of directors for approval. Categories of risks contended with include : strategic risks, business risks, operation risks, and any other risks that could potentially affect company's business.
2. Determine the enterprise risk management framework.
3. Supervise operations utilizing risk management procedures.
4. Follow-up on any operations in accordance with each department's strategy.
5. Advise the company's board of directors on risk management.
6. Recognize risk management consequences or progress for each department.

1.6 The Investment Committee , presently comprises of :

- | | |
|----------------------------------|--------------------------------------|
| 1. Mr. Pracha Maleenont | chairman of the Investment Committee |
| 2. Dr. Cathleen Maleenont | member of the Investment Committee |
| 3. Ms. Tracy Ann Maleenont | member of the Investment Committee |
| 4. Mrs. Monluedee Sookpantararat | member of the Investment Committee |
- Mrs. Suntaree Arayasomboon is the Secretary of the Investment Committee

Scope of responsibilities

The Investment Committee has the following responsibilities:

1. Determine overall investment policies and propose these to the company's board of directors for approval.
2. Determine the enterprise investment framework.
3. Supervise operations utilizing investment procedures.
4. Consider and approval investments on Mutual Funds, Direct Bonds with BBB rating up and the capital stocks of listed companies
5. Follow-up on any operations in accordance with each department's strategy.
6. Advise the company's board of directors on investment.
7. Report on progress of the company's overall investments to the board of directors.

2. Nomination of Directors and Management

Nomination of Directors and Management was responsibility by Remuneration and Nomination Committee and propose to board meeting / shareholders meeting for approval.

According to the Company's Articles of Association, the Board of Directors must be comprised of not less than 5 members. When the term of office of a director ends, the selection of a new director must be approved by the Shareholders' Meeting, which will use the following rules and procedures:-

1. A shareholder has one vote per one share held.
2. Each shareholder will exercise all his voting rights under no.1 to support the candidates either individually or in groups.
3. The candidates with the highest scores, respectively, will be appointed as new directors equivalent to the number applicable of such meeting. In case where there is a tie in the numbers of votes between two candidates, the chairman has the deciding vote.

In case where a directorship becomes vacant due to other reasons than the end of office tenure, the remaining directors will select a person with appropriate qualification to fill this vacancy in the next Board of Directors' Meeting. If the remaining term of office is shorter than 2 months, the replacement will be in office term only for the remaining duration of the relevant tenure.

Regarding to the selection mentioned above, the resolution of the Board of Directors' Meeting must comprise of not less than three quarters of vote of the remaining directors.

The proportions of directors representing each shareholders' group are as follow:-

<u>Group A</u>	comprised of 2 persons,	represented major shareholder
<u>Group B</u>	comprised of 2 persons,	presently, represented major shareholders and representative of management
<u>Group C</u>	comprised of 7 persons, presently, represented as follows	
	Member of the Audit Committee	3 persons
	Outside/Independent Directors	4 persons

3. Remuneration for Directors and the Management

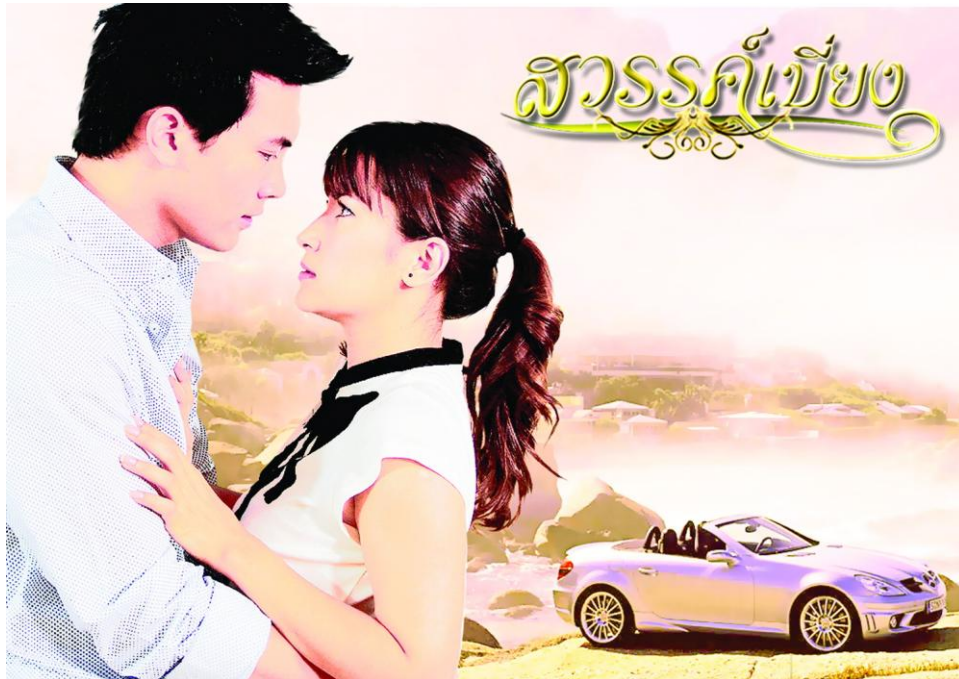
- **Remuneration for Directors**

The Company has clearly and transparently laid down a policy on remuneration for directors, appropriately considered by the Nomination and Remuneration Committee in aspects of appropriation, responsibility and the Company's financial status which amount should be comparable to the general practice in the industry and appealing enough to attract and retain such quality directors whom the board needs, but avoid excessive pays and also approved from the Shareholders' Meeting. Directors who are assigned with extra work such as the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and Investment Committee should be paid appropriately more.

Independent director were being Independent Director of the company only and received remuneration from the company only.

- **Remuneration for the Management**

Remuneration for the Management, considered by the Nomination and Remuneration Committee and proposed to the Board of Directors for an approval, was determined in accordance with the principles and policy set by the Board of Directors and corresponded to the performance of the Company, as well as that of each executive's.



Detail of fix remuneration and meeting fee for the Board of Directors and Sub Committee of 2009

Name list	Position	Fix remuneration (Baht)	Meeting Fee (Baht)	Total monetary remuneration (Baht)	Other remuneration
Mr..Pracha Maleenont	Chairman	491,400	54,000	545,400	none
	Director				
	Chairman of Investment Committee				
Mr. Soonthorn Pokachaiyapat	Vice Chairman	340,200	54,900	401,100	none
	Chairman of Nomination and Remuneration Committee	-	6,000		
Mr. Deja Tulananda	Director	226,800	37,600	264,400	none
Mr. Chansak Fuangfu	Independent Director ¹	226,800	40,800	267,600	none
Dr.Cathleen Maleenont	Director	226,800	35,200	267,000	none
	Member of Nomination and Remuneration Committee	-	5,000		
	Member of Investment Committee				
Ms.Tracy Ann Maleenont	Director	226,800	48,800	275,600	none
	Chairman of Risk Management Committee	-	-		
	Member of Investment Committee				
Mr. Matthew Kichodhan	Director	226,800	35,200	262,000	none
Mr. Montree Sornpaisarn	Independent Director ¹	226,800	48,800	371,700	none
	Member of the Audit Committee	75,600	20,500		
Mr. Somsak Phayabdechachai	Independent Director ¹	226,800	48,800	371,700	none
	Member of the Audit Committee	75,600	20,500		
Mrs. Sudjit Divari	Independent Director ¹	226,800	48,800	494,200	none
	Chairman of the Audit Committee	189,000	24,600		
	Member of Nomination and Remuneration Committee	-	5,000		
	Member of Risk Management Committee				
Mrs. Monluedee Sookpantararat	Director	226,800	48,800	275,600	none
	Member of Risk Management Committee				
	Member of Investment Committee				
Total		3,213,000	583,300	3,796,300	

Notes ¹Independent director were being Independent Director of the company only and received remuneration from the company only.

Remuneration for Executive Directors and Management of the subsidiary of 2009

Type of remuneration	person	Amount (Million Baht)
Salary	7*	18.07
Bonus		-0-
Other remuneration (comprised of oil, telephone, commission house rental, provident fund, others welfare and others)		0.88
Total		18.95

*1 Management resigned during 2009.

4. Policy on Corporate Governance

The Company's Board of Directors fully realizes the importance of good corporate governance in order to achieve complete transparency in business operations, to boost the Company's business competability and to increase the confidence of shareholders, investors and all parties concerned. Therefore, the Board has laid down the following important principles in support of our corporate governance:

- All shareholders and parties with vested interests will be treated equally and fairly.
- The Board of Directors is determined to generate value added for business in the long run, to administer operations prudently and cautiously, to carry duties and responsibilities efficiently and effectively in order to result in the greatest benefits for shareholders, to see to it that conflicts of interest do not occur and to be totally responsible for their actions and decisions.
- The Board of Directors will operate with complete transparency and accountability, with sufficient information disclosures for all parties concerned.
- The Company has laid down business ethics, published in form of hardcopy, for the Board of Directors, executives and employees to acknowledge by signature given and follow since April 2003. Such ethics are comprised of Objective, Operation and Monitoring, Principle of Ethics or Core Statement of Business Conduct, Code of Ethics or Statement of Business Conduct for Management and Guidance Notes. The Company has revised such Code of Ethics for more completeness in February 2005.
- The Company was ranked in very good level (averaged point at 80 – 89 points) of Good Corporate Governance, according to project “Corporate Governance Report of Thai Listed Companies 2009” operated by Thai Institute of Directors Association (IOD) in co - operation with the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- The Company was ranked in 80 - 89 points level of AGM Meeting Arrangement, according to project “AGM Assessment Programme of Listed Companies 2009” operated by Thai Investors Association in co - operation with Thai Listed Companies Association and the Office of the Securities and Exchange Commission.

The Company's Board of Directors strictly abides by the Code of Best Practices for directors of listed companies 2006, in line with the guidelines set by the Stock Exchange of Thailand. The relevant details follow:

Section 1 The Rights of Shareholders

The shareholders are entitled to all basic rights at acceptable and trusted standard ; for instance, the right to buy new shares, sell or transfer their own shares, the right to receive dividends, the right to attend the shareholders' meeting, the right to express opinions freely, the right to make decisions on important affairs of the company such as the nomination of directors, approval of significant transactions, approval of directors' remuneration, appointment of an auditor and fix audit fee, amendment of memorandum of association, amendment of the Company's Article of Association, etc. However, shareholders have the right to vote at meeting according the number of shares owned by each shareholder, whereby one share is for one vote and no particular share allows them privilege to limit the rights of other shareholders and also encourage shareholders to attend the shareholders' meeting, express their vote and opinions freely.

Apart from the above mentioned right of the shareholders, the company has the following tasks to encourage and facilitate shareholders in the exercising of their rights.

1. Provide essential, clear and up to date information for shareholders regarding the company's business and notify through SET's ELCID or the company's website.

2. Prior to a meeting, each shareholder will receive significant and sufficient information relative to the date and the agenda of the meeting. This will be posted on the company's website approximately one month before the meeting. Shareholders' right to attend the meetings and the right to vote on resolutions will be mentioned in the notice to shareholders. The shareholders could send the questions to the company (investors' relation section) or walk - in in advance.

3. In case where the shareholders are unable to attend the meetings, they are entitled to appoint a representative e.g. an independent director or a person, to act as their proxy, using proxy forms attached to the notice of the meeting. These forms can also be downloaded from the company's website.

4. For shareholders' convenience, on the date of the 2010 meeting, the company provides an electronic system for registration (e-Registration) to speed up the process. In addition, for disapprove and abstain vote, the company will collect the ballot paper from the shareholder in order to calculate the result of the vote. After the meeting, the shareholders are entitled to check the result.

5. Before starting the meeting, Chairman of the meeting declared votes counting method of each agenda and shareholders' rights. The Company starts the meeting when the shareholders and authorized proxies have formed the required quorum. The Chairman run the meeting according to the specify agendas and shareholders could expressed their comments and queried. In addition, in the meeting date, the registration will be available for 1.5 hours before the meeting commenced.

At the shareholders' meeting of 2009, nine (9) of the Company's directors were present, as well as auditor and legal advisor representatives had attend the meeting.

6. In the annual general meeting of the shareholders, one third of the directors will finish their terms; hence, the election will take place on the day of the meeting. For the election of the directors, the company informs the shareholders that in case where the number of nominated persons does not exceed the number of directors required for that election, all of them shall be elected as directors. However, if the number of candidates exceeded the number of directors required, each candidate is then elected individually. The shareholders are entitled to propose the name of an individual for directorship of the company.

7. At the meeting, the shareholders are allowed to freely express their opinions, give suggestion or raise questions on any agenda before calling for a vote on a resolution, providing sufficient information is given to the shareholders. Should shareholders have questions on any agenda issues, specialists in the specific fields are available to answer those questions under the responsibility of the board. Significant questions and answers as well as suggestion are recorded in the minute of the meeting.

8. For any issue on the agenda at the meeting, the shareholders can call for a secret ballot if one of them makes such request with approval of five other shareholders.

9. Information regarding the amount and type of compensation each director will receive, comprised of fix remuneration and meeting fee, is disclosed to the shareholders and included on the agenda by the company. In any case of changing would be approved from the shareholders' meeting.

10. Minute of the meeting is responsibility by the company secretary to prepare and keep the minutes, reviewed by the board of directors. Such minute is also posted on the company's website where shareholders could review the completeness before proposing to certify on the next meeting and submitted in time to relative agencies.

Section 2 The Equitable Treatment of Shareholders

The company had provided the equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders, institutions or foreign investors. For instance :

1. The company had assigned responsibilities to the independent directors in the areas of minority shareholders interests. The minority shareholders are allowed to contact in independent directors directly to give suggestions, express opinions or make complaints. The independent directors shall present the issue affected the stakeholders and the business operations to the shareholders' meeting for consideration and set it as the agenda for the meetings of shareholders. In case of complaint, the independent directors are responsible for investigating the matters and finding proper solutions. In case where the shareholders are unable to attend the meetings, they are entitled to appoint an independent director as their representative to act as their proxy.

In 2009, there was no minority shareholders proposed any agenda of the meeting, appointment of the directors, or any complaint. In the shareholders' meeting year 2009, the Chairman run the meeting according to the specify agendas without additional agenda unnotified in advance. For the election of the directors agenda, there must be elected by individual candidate. Directors and management had disclosed information about conflict of interest both themselves and relatives to the board since the nomination to the company. In addition, the board of directors had set the acknowledgement of the director and management's company shareholding report as the agenda of the board of directors' meeting.

2. The company has established measures to control the usage and prevent the misuse of internal information (insider trading) for personal benefit of a person concerned, as the board of directors, executive directors, management and personnel working in the related department (including their spouses and minor children), by prohibit all persons concerned from trading the company shares for a 30 days period prior to and a 3-5 days period after the release of the information. In case of having knowledge of confidential information that could have any impact on the company's share price, they would be prohibited from trading before the public disclosure.

3. As for the annual general meeting of the shareholders, the company sends the proxy forms, the contents of which agree with the specifications defined by the Ministry of Commerce, along with the notice of the meeting. The shareholders who are unable to attend the meeting are entitled to appoint a proxy. Furthermore, the shareholders who arrive after the meeting commences have the right to vote on the agenda being discussed at that time and are entitled onwards unless the meeting sees otherwise.

Section 3 The Role of Stakeholders

The company conducts business with the highest responsibility to ensure sustainable and mutual benefits to all related parties. Corporate administration and business operations ensure that the company acknowledge the right of stakeholders, both as stated by law and as written in the company code of conduct. The said stakeholders included the shareholders, employees, those who use the products and services and those related in terms of business are treated equally.

- **Shareholders** : the board of directors had set investors relation section to responsibility for equally treating to shareholders and investors for both the basic rights of shareholders and the rights, stipulated by the laws and the company's Article of Association, such as the right to request a determination of the number of share, the right to receive share certificates, the right to attend the shareholders' meetings, the right to vote and freely express opinion at the meetings, the right to receive an appropriate return. The company gives shareholders the right, as being the owner of the company, to suggestions and comments on the company's affairs to the independent directors. Each comments and suggestions will be carefully considered and presented to the board of directors.

In addition, the Company's dividend payment policy is not less than 50% of net profit.

- **Employees** : the company believes that employees are the most valuable assets. Thus group human resources department is set to in charge of such tasks, such as determined suitable employees' remuneration, equally treating for all level, encourage employees to develop their skills, promote a good working environment and other basic welfares e.g. group insurance , provident fund.

- **Customer** : the customers be provided with the maximum benefits in terms of quality and price, delivery goods and services in time, customers' information is the confidential information, and set up a support office to provide product information, solve problem and receive complaints in order to ensure total satisfaction for customers and also determined to develop and maintain sustainable relationships with customers.

- **Competitors** : the company operates its business within a competitive context by being fair and closely following the law and the company's code of conduct. No dispute with competitors arose during 2009

- **Creditors** : the company practices under the terms of loans and obligations to its creditors such as made the payment on due, creditors' information is the confidential information.

- **Society** : the company is determined to contribute continuously the friendly business policy to the society. The company's products are the good selection for the customers ,i.e. television programme business produce general entertainment programme, suitable for all age such as sit com drama programme "Mahachonchaoflat" and "BanThuekKam", the drama about a "Cause-Effect Theory", known as Karma, etc.

- **Environment** : the company had awareness in preserving the environment and set the policy on environment conservation such as using reused paper in office, turn off light at noon.

All stakeholders could raise issue about the correctness of financial report, lack of internal control system, any transaction of illegal and disobey of code of conduct through the internal audit office to examine and report such matter to the Audit Committee, subsequently. Such complaints shall be deemed to be "confidential information" without disclosing name of the notifying or the complaining person to the public. No such issue arose during 2009. In part of procedure for participation of stakeholders, all of them could contact through the company's secretary directly or via the company website. The company had aware of stakeholders' supporting, creating strengthen fundamental to achieve long term objective and stability further.

Section 4 Disclosure and transparency

The company realizes the importance of information disclosure as it greatly affects the decision-making of investors and stakeholders. It is, therefore, necessary to control and define measures concerning the legal disclosure of information, both financial and non financial. Information disclosed via the SET Community Portal / Elcid and the company's website shall be complete, sufficient, reliable and up to date, written both in Thai and in English. In making detailed information know, the company assigns CFO appointed by the board of directors to disclose information. Moreover, the investor relations section has been formed to contact institutional investor, shareholders as well as analysts and related government sectors on a fair basis. If the shareholders required any additional information they can contact the investor relations section directly at WAVE Entertainment Plc., Maleenont Tower 15th floor no.3199, Rama IV Road, Kwaeng Klongton, Khet Klongteao, Bangkok. The company has disclosure and transparency's guideline as the following example :

- Reveal accurate, complete and timely financial information and non- financial information.
- Prepare the report of the Board's responsibility for financial statements and present it along with the Auditor's report in an annual report.
- Require the company's directors and executives to disclose their interests in connection with those of the company and the persons involved in the company's interests.
- Reveal detailed information on the operation and investment structure in subsidiaries and associates.
- Reveal information on remuneration each director receives as a member of the board of directors of the company.
- Reveal information on remuneration each director receives as a member of the board of directors of the subsidiaries.
- Disclose the policy on remuneration for the directors including forms, types and amount of remuneration for each director.
- Disclose the performance and attendance record of each member of the board of directors and the committee.
- Disclose the policy on environmental and social responsibilities, including the operating results.
- Prepare a report on Corporate Governance policies and the operating results.

Section 5 The Responsibilities of the board,

The board's structure, and the Committee

The board of directors comprised of accepted knowledgeable and competent persons who are responsible for drawing up corporate policy and collaborating with the top executives in making the operating plans both short term and long term plans. The board shall have the responsibilities to draw up financial policy, risk management policy and the organization overview. The board shall play an important role in overseeing, monitoring and assessing the performance of the company and the top executives on an independent basis.

-The Company's Board of Directors is made up of 11 members, including: Seven (7) non-executive directors and four (4) executive directors (1 Managing Director, 2 executive directors and 1 CFO)

-Independent directors have qualifications as stated in requiring by SEC., There are 4 persons, more than 1 of 3 and not less than 3 directors.

-The Chairman of the Company's Board of Directors acts as CEO and Managing Director. Chairman will be the policy leader and executive directors will be leader of managements.

-The term for directorship of the board of directors, are 3 years, without limitation of number of terms.

-The position of director in other company, in practice, Managing Director is being in this title for the company only, whereas 1 director and top management is being the director of other listed company, considered by executive directors that this may not disturbed the routine works.

- The board of directors has appointed the company secretary to responsible of 1) prepare and keep directors' register, notice of the board of directors' meeting, minutes of the board of directors' meeting, annual report, notice of the shareholders' meeting and minutes of the shareholders' meeting and 2) keep conflict of interests report, reported by directors or management and 3) other tasks conducted by Capital Market Supervisory Board.

In addition, the board has further established the following committees, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Investment Committee, to be responsible to their specific areas and report directly the board for its consideration or acknowledgement.

- **Audit Committee** consists of 3 of the company's independent directors, one of them , Mrs. Sudjit Divari, has adequate expertise and experience to review creditability of the financial reports. Their duties include checking if the operation has been carried out in accordance with the company's regulations as well as the laws and the compliance unit's regulations. Moreover, they are committed to promoting the development of the financial and accounting report system and to ensure that the company has an appropriate, modern and efficient internal control system, internal audit system, and a risk management system. The Audit Committee acts and expresses opinions freely, with the company's internal audit office acting as an operation unit directly reporting to the Audit Committee. The Audit Committee is entitle to seek advice from an independent consultant with the company bearing responsibility for the total expenses.

- **Nomination and Remuneration Committee**, including 3 of the company's directors, one of which is an independent director. The committee is responsible for the nomination persons qualified as directors to replace those who are retired rotation, or whatever the case may be. In addition, they revise the performance evaluation system of the board of directors and other committees with fair and reasonable before proposing for approval to the board of directors or the shareholders' meeting further. The committee is also responsible for filling vacancies, appointment, removing, transferring, promotion, demotion of management levels, prior approvals must be obtained from the Board of Directors. No director candidate proposed by minority shareholders in 2009.

Each committee has the rights and duties as specified by each committee's regulations. The board of directors, moreover, are entitled to form ad hoc committees suitable for changing situations.

Roles , Duties and Responsibilities of the Board of Directors

The board has considered and approved all significant matters regarding corporate management such as vision, strategy, goal, business plan and budgeting including supervise and control management team to conduct the business in accordance with the policy and strategy in efficiency way to enhance business value for the company and shareholders including for the benefits of all related parties.

- **Corporate Governance Policy** : the board has set as part of business policy and follow up the development of compliance with the CG policy also updating and improving the said policy as deemed appropriate.

- **Code of Conduct** : the Company has laid down business ethics, published in form of hardcopy, for the Board of Directors, executives and employees to acknowledge by signature given and follow since April 2003. Such ethics are comprised of Objective, Operation and Monitoring, Principle of Ethics or Core Statement of Business Conduct, Code of Ethics or Statement of Business Conduct for Management and Guidance Notes and also penalty. There was no problem in the compliance with the Code of Conduct in 2009.

- **Conflict of interested transaction** : according to the Company's policies, all transactions with conflict of interests persons must be screened by the Company's Management and proposed to the Board of Directors and / or Shareholders' Meeting for approval in accordance with the procedures set by the Company's regulations and the notifications of the Stock Exchange of Thailand on listed companies' information disclosures and procedures on connected transactions. In addition, the Board of Directors and Audit Committee must express their opinions that such transactions are reasonable and appropriate to maximize benefits for the Company, being the same nature as normal transactions with third parties, being approval by persons having no interests in such transactions and also completely disclosure and all parties concerned have acted in line with the Company's good corporate governance.

All transactions with major shareholders, directors, executives or other parties related to them must be properly approved in accordance with the Company's regulations and by persons having no interests in such transactions.

The Company's Board of Directors is aware of transactions with conflicts of interest and connected transactions and always considers their appropriateness cautiously and complies with regulations of the Stock Exchange of Thailand. The relevant prices and conditions are equivalent to those applied to transactions made with third parties (Arm's Length Basis). These are regarded as the Company's normal business transactions, while having aware of the Company's maximizing profit. All the details of such transactions are fully disclosed in the Annual Report and Form 56-1.

Trend of related transactions in the future is of similar nature to the previous year, i.e. rental office of Maleenont building, royalty expenses for Thai drama series from Thai TV Color Channel 3, parking fee at Maleenont building and income from copyrights.

- **Internal Control** : the Board of Directors has established an Internal Audit Office to be responsible for internal audit, develop work flow to be independent unit in conducting its own activities, which shall directly report to the Audit Committee.

The Company's Board of Directors has established clearly and measurable objectives with individual goals and budgets for each units to achieve. The organizational structure has been formed with appropriate designations of segregation of responsibilities, proper policy on good corporate governance, business ethics for all directors, executives and employees to follow strictly as guidelines and stipulations by prohibiting directors, executives and employees from behaving in ways that could bring about conflicts of interest with the Company. Policies and procedures have also been literacy laid down in aspects of financial transactions, procurements and general administrative management to ensure unbiased treatments for all trade partners, which should in turn benefit the Company in the long term. Thus, the Board of Directors has set an Internal Audit Office to be responsible for auditing and monitoring the internal control compliance and also reporting to the board of directors. According to the Board of Directors' meeting No. 1/2010 held on February 12, 2010, where the Audit Committee had attended, the Company's Board of Directors considered the internal control system assessment report and expressed the same opinion as the Audit Committee that the Company and its subsidiaries already had sufficient and appropriate internal control and audit systems which can effectively protect the Company's and its subsidiaries' assets against being utilized improperly or without authorization by management.

In auditing the Company's financial statements for 2009, the external auditors who reviewed the accounting internal control system to lay down audit programs, timing and scope of audit found no material issues to improve the Company's internal control system.

- **Risk Management :** The Company realizes risks and possible risks, as well as analyzes their impacts on the operations by holding the Management's Meeting to consider industry risk, competition and also find out the solution to reduce such risks. In 2009, there was no transaction which might create significant risk on the company.

As the Company's Board of Directors is fully aware that the Company's information, be it totally financial or partially financial in nature, affects the decision-making process of investors and persons with vested interests, the Company's Management has been instructed to disclose the relevant information completely, accurately, creditably, regularly and timely through disclosure channel of SET, SEC and the Company's web site, and always respected and followed such instructions.

Moreover, all stakeholders have entitled the right to express opinion or suggestion through letter via e-mail to Investor Relations section. The said suggestion would be considered before reporting to executives board and board of directors further.

Board of Directors' Meetings

It is the duty of a member of the board to constantly attend the board's meetings to acknowledge and make decisions on the corporate operations. The board holds at least six scheduled meeting per years, providing that the agendas are set clearly in advance prior to each meeting. The board members may be summoned to special meetings to consider and determine on the urgent matters. If non executive directors deemed proper, they may convene the meeting as necessary among themselves.

The board meeting schedule has been set as the agenda of the last meeting of each year for all directors to consider choosing date and time meeting of next year in advance.

At time meetings, the chairman and executive directors jointly determine on which items on the agendas are relevant to the meetings. Every individual member of the board is entitled to propose the agendas items.

In 2009, the board held seven meetings, six scheduled meetings and one special meeting. Prior to each meeting, all members received the agendas and supporting documents well at least 1 week in advance to allow adequate time for consideration (detail of the meeting attend are shown on page 18). In the past, there had been some problems regarding lately delivery of supporting documents. The said problem was solved by delivery only complete documents of relevant agenda to all directors in advance while the remaining documents would be delivered thereafter, as soon as possible.

When considering the matters presented to the board, chairman of the board presides over and duly conducts the meetings. All members of the board are allowed to express their opinions freely. Resolutions are passed with a majority vote, providing that one director is eligible for one vote. The director with any interest in the issue under consideration or the director ineligible to vote is excused and to be absent during voting. In case of a tie vote, chairman of the meeting will vote and give the binding result. Generally, it takes 3 hours approximately for each meeting, which is deemed to be proper time for the board of directors to consider the matter thoroughly.

In addition, member of the board could directly ask for additional information from Managing Director or the secretary to the board. The board of directors may invite management or any person involving in each matter for enquiry of any details during the meeting.

Since the board of directors' meeting is not convened every month and no monthly report of the company's operating results, the board of directors have follow up the pending matters in every meeting and assign management team or the audit committee to handle such matter as well as reporting the progress in the next meeting.

After the meeting, the secretary to the board is responsible for preparing the minutes, and sending the certified copies to the directors. The minutes must then be approve at the following board's meeting, where the directors may make comments, corrections, or additions to ensure the greatest accuracy and completeness.

After approval, minutes of the meeting, classified as most confidential documents, are stored securely in the Corporate Finance Division together with all related documents to facilitate data searches.

Evaluation of Directors ' Performance

The board of directors have no a director evaluation to assess their own performance. However, directors attended the each meeting have concentrate on considered matter, questioned in unclear point, given suggestion in order to achieve the suitable final solution, being maximize benefits to the company and all relevant.

Remuneration for the Board and the Management

● **Remuneration for the Board**

The Company has clearly and transparently laid down a policy on remuneration for directors, appropriately considered by the Nomination and Remuneration Committee in aspects of appropriation, responsibility and the Company's financial status which amount should be comparable to the general practice in the industry and appealing enough to attract and retain such quality directors whom the board needs, but avoid excessive pays and also approved from the Shareholders' Meeting. Directors who are assigned with extra work such as the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and Investment Committee should be paid appropriately more. Such remuneration should be consider and approve by the board of directors and the shareholders' meeting sequently. In 2009, the shareholders' meeting had passed the resolution of remuneration for the board of directors and the remuneration for specific committee for the amount of Bht 4.2 Million. Details of remuneration for the board of directors, as approved by the shareholders' meeting, including the remuneration for specific committee in 2009 are reported on an individual basis on page 25. of the annual report.

Independent director were being Independent Director of the company only and received remuneration from the company only.

● **Remuneration for the Management**

Remuneration for the Management, considered by the Nomination and Remuneration Committee and proposed to the Board of Directors for an approval, was determined in accordance with the principles and policy set by the Board of Directors and corresponded to the performance of the Company, as well as that of each executive's. Details of remuneration for the management in 2009 are reported on page 26 of the annual report.

Knowledge Enhancement for the Directors and Management

All directors of the company had fully realized of director fiduciary duty and nature of business, reflecting on each meeting that they have concentrate on considered matter, questioned in unclear point, given suggestion in order to achieve the suitable final solution, being maximize benefits to the company and all relevant. Beside, the company encourages all members of the board and the top management to attend various seminars and courses benefited to their responsibilities. Some of these coursed are organized by the government agencies or by the independent organizations, such as Thai Institute of Directors Association. SEC requires directors of all listed companies to complete at least one of the following training courses : Directors Accreditation Program (DAP) Directors Accreditation Program (DAP) or Directors Certification Program (DCP) or Audit Committee Program (ACP). Details of directors' training courses are reported on page 19 of the annual report. With respect to the current directors, the Board of Directors has encouraged directors and top management, the secretary to the board and relevant person to attend training program consistently to develop their skills in various fields to enhance their capacities. The secretary to the board has been assigned to look for suitable training program to be proposed to all for consideration.

According to new director, he will get briefly summary information of nature and business operation guideline from the chairman or executive directors.

According to succession plan, the company had realized of significant and necessary of such plan. However, the exploring new media and entertainment related businesses to synergize the existing business is ranged as the most urgently task at present, the said succession plan has not been perform.

5. Internal Information Control

The company has an established policy governing the use of internal information, including employee regulations with specific penalties for management and staff in the event whereby internal information is divulged to the public or used for personal benefit. In addition, the purchase and sale of company's shares is prohibited during specified period. The company has notify the said policy and SET, SEC's regulations to the directors and management for acknowledgement and practice.

Regarding the insider information, the Company has a clear-cut policy on prohibiting executives or employees from publicizing the Company's insider information or utilize it for personal benefits, such as the Company's operating result, business information and other information, should be disclose to the public, used for securities trading purpose, particularly during the 30 days before and 3-5 days after the mentioned-above information are disclosed to the public. Such policy has been informed to all directors and management and also noted in the Company's Code of Ethic.

The Company permits only those directly concerned with relevant operations to have access to the information related to computer systems, confidential information and information which could potentially affect the Company's operations. The authorized persons to use internal information will be provided with individually assigned access code.

The Company will severely punish persons found to utilize the Company's insider information for personal benefits by immediately terminating their employment.

6. Controlling System and Internal Audit

According to the Company's Board of Directors meeting No. 1/2010 held on February 12, 2010, where the Audit Committee had attended, the Company's Board of Directors considered the internal control system assessment report and expressed the same opinion as the Audit Committee that the Company and its subsidiaries already had sufficient and appropriate internal control and audit systems which can effectively protect the Company's and its subsidiaries' assets against being utilized improperly or without authorization by management. Details are as follows:

1) Organizational and environmental

The Company's Board of Directors has established clearly and measurable objectives with individual goals and budgets for each units to achieve. The organizational structure has been formed with appropriate designations of segregation of responsibilities, proper policy on good corporate governance, business ethics for all directors, executives and employees to follow strictly as guidelines and stipulations by prohibiting directors, executives and employees from behaving in ways that could bring about conflicts of interest with the Company. Policies and procedures have also been literacy laid down in aspects of financial transactions, procurements and general administrative management to ensure unbiased treatments for all trade partners, which should in turn benefit the Company in the long term.

2) Risk Management

The Company realizes risks and possible risks, as well as analyzes their impacts on the operations by holding the Management's Meeting to consider industry risk, competition and also find out the solution to reduce such risks.

3) Control of the Management's Operations

The Company's Board of Directors has ensured that the guidelines set by the Management are strictly adhered to and followed by everyone in the Company, by appropriately designating authority and approval levels for different types of transactions. Different duties have also been properly separated to avert possible irregularities, while transparent procedures have been established for business transactions with major shareholders, directors, executives or persons related to them in order to prevent improper benefit-sharing. In addition, measures have been worked out to monitor the Company's operations to be in line with all relevant laws.

4) Information and Communication Technology Systems

The Company has an effective management information system with high-quality and sufficient information conducive to efficient decision-making, be it financial or other types of data. The communication of such information to all parties concerned is of the utmost necessity and goes a long way in helping boost the efficiency and effectiveness of the internal control system. All documents and relevant details required for meetings are sent to the Board of Directors for advance consideration and to assist the directors in their decision-making. Documents have been stored in properly classified sections, while the Management's accounting operations are always monitored closely to ensure that these are in accordance with generally accepted accounting principles and appropriate for the nature of the Company's business, avoiding improper accounting policies that could result in operational reports far removed from facts.

5) Monitoring System

The Company has a regular monitoring system to ensure that all set goals are achieved. The system continues incessantly and undergoes improvements and alterations at all times to suit changing situations and to effect timely solutions for all possible problems. Frequent comparisons of goals and operations help the Company solve foreseeable problems in a timely manner, while the internal audit system acts as a vital independent mechanism to perform compliance audit of the internal control system.

In auditing the Company's financial statements for 2009, the external auditors who reviewed the accounting internal control system to lay down audit programs, timing and scope of audit found no material issues to improve the Company's internal control system.

Dividend payment policy

The Company's dividend payment policy is not less than 50% of net profit.

The Company's subsidiaries's dividend payment policy is not less than 50% of net profit.

Relations with Investors

As the Company's Board of Directors is fully aware that the Company's information, be it totally financial or partially financial in nature, affects the decision-making process of investors and persons with vested interests, the Company's Management has been instructed to disclose the relevant information completely, accurately, creditably, regularly and timely through disclosure channel of SET, SEC and the Company's web site, and always respected and followed such instructions.

As for relations with investors, the Company has set up Investor Relations unit, directly reported to CFO to communicate with institutional investors, shareholders, analysts, regulators and government authorities concerned. To obtain information from the Company, investors should call 02-665-6702, e-mail to monluedee@wave-groups.com , ir@wave-groups.com or www.wave-groups.com.

Details of Executives and Controlled persons 2009

Name / Title	Age	Education	Number of share holding of the Company (%)*	Relationship with Management	Work Experience			Previous record in illegal dealing	Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction
					Period	Title	Company		
1 Mr. Pracha Maleenont Chairman Chief Executive Officer Chairman of Investment Committee and Managing Director Authorized Director	63	B.B.A., Business Administration Elmhurst College, Illinois, U.S.A. Certificate of Territorial Defense Curriculum (Joint Government/Private Sector) (Vor Por Or. Class 344)	None	Father of Dr. Cathleen Maleenont and Ms.Tracy Ann Maleenont	16 February 2007 – Present Aug 2005 – Sep 2006 Mar 2005 – Jul 2005 1999 - 2005 2001 - 2002	Chairman Chief Executive Officer and Managing Director Minister Minister Deputy Minister Deputy Minister	WAVE Entertainment Pcl. and 4 subsidiaries Ministry of Tourism and Sports Ministry of Social Development and Human Society Ministry of Interior Ministry of Transport	none	none
2 Mr. Deja Tulananda Director	76	Economic Bachelor's Degree, England	None	None	Jan 2005 – Present Jan 2005 – Dec 2005 1960 - Present	Director Advisor Senior Executive Vice President	WAVE Entertainment Pcl. WAVE Entertainment Pcl. Bankok Bank Pcl.	none	none
3 Mr. Soonthorn Pokachaiyapat Vice Chairman and Chairman of the Nomination and Remuneration Committee	72	Bachelor of Law, Thammasart University Director Accreditation Program : DAP by Thai Institute of Director Association (IOD)	None	None	Nov 2005 - Present 1974 - Present 2000 - Present	Director and Chairman of the Nomination and Remuneration Committee Head of lawyer Director	WAVE Entertainment Pcl. Chayapat Law Office Total Access Communication Pcl.	none	none
4 Mr. Chansak Fuangfu Independent Director	59	MBM, Asian Institute of Management, Philippines B.Sc. in Economics (Hons.), Thammasart University Certificate of Territorial Defense Curriculum Director Accreditation Program : DAP by Thai Institute of Director Association (IOD)	None	None	25 Apr 2006 - Present 2003 - Present 2001 - Present Present Present Present	Director a Member of Audit Committee Senior Executive Vice President Director Authorized Director Authorized Director	WAVE Entertainment Pcl. BEC -Tero Entertainment Pcl. Bankok Bank Pcl. Teijin Polyester (Thailand) Co.,Ltd. Thai Industrial Estate Co.,Ltd. Hitech Nitzo (Thailand) Co.,Ltd.	none	none

Note * In accordance with report as of 15 October 2009, date of latest closing the shareholders' registration book.

Details of Executives and Controlled persons 2009

Name / Title	Age	Education	Number of share holding of the Company (%)*	Relationship with Management	Work Experience			Previous record in illegal dealing	Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction
					Period	Title	Company		
5 Dr. Cathleen Maleenont Director Executive Director and Member of Investment Committee and Member of the Nomination and Remuneration Committee Authorized Director	38	Ed.D. in Institutional Management, Pepperdine University M.S.A. in Multinational Commerce, Boston University B.A. in Mass Communication, Chulalongkorn University Director Accreditation Program : DAP by Thai Institute of Director Association (IOD)	11.06	An adult daughter of Mr.Pracha Maleenont A younger sister of Ms.Tracy Ann Maleenont	Jan 2007 - Present 5 Apr 2006 - Present 25 Apr 2006 - Present 1999 - Present Present Present Present Present Present	Member of Investment Committee Director , Executive Director and Member of the Nomination and Remuneration Committee Assistant to the Senior Executive Vice President Authorized Director Authorized Director Authorized Director Authorized Director Director	WAVE Entertainment Pcl. and 4 subsidiaries BEC World Pcl. BEC -Tero Entertainment Pcl. Thai Audiotex Services Co.,Ltd. U&I Corporation Co.,Ltd. TVB Tree Network Co.,Ltd. BEC Multimedia Co.,Ltd.	none	none
6 Ms.Tracy Ann Maleenont Director Executive Director and Chairman of Risk Management Committee and Member of Investment Committee Authorized Director	39	Doctoral candidate in Institutional Management, Pepperdine University M.B.A. International Business, University of Southern California M.B.A., Boston University B.A. in Finance, Chulalongkorn University	10.99	An adult daughter of Mr.Pracha Maleenont An older sister of Dr. Cathleen Maleenont	Jan 2007 – Present 5 Apr 2006 - Present 25 Apr 2006 - Present 2006 - Present 2004 - 2006	Member of Investment Committee Director , Executive Director and Chairman of Risk Management Committee Program Acquisition Director	WAVE Entertainment Pcl. and 4 subsidiaries BEC World Pcl. Maleenont Tower Co.,Ltd.	none	none
7 Mr.Matthew Kichodhan Director	43	M.B.A., Imperial College, University of London Bachelor of Commerce, University of Toronto Director Certification Program : DCP and Director Accreditation Program : DAP by Thai Institute of Director Association (IOD)	None	None	5 Apr 2006 - Present Present Present Present 2004 – 2005	Director Senior Vice President Director Director Vice President, Business Management, Asia Pacific	WAVE Entertainment Pcl. Thai Beverage Pcl. BEC World Pcl. Ocean Glass Pcl. Gillette Asia Pacific Group	none	none
8 Mr.Montree Sornpaisarn Independent Director and a Member of Audit Committee	46	Capital Market Academy CFA (Chartered Financial Analyst) MBA Thammasat University (Top entrance score) Bachelor Degree in Engineering, Chulalongkorn University (Top score nation wide at entrance examination) Director Accreditation Program : DAP by Thai Institute of Director Association (IOD)	None	None	14 Mar 2008 – Present Oct 2001 – Present May 2005 – Present	Independent Director and a Member of Audit Committee Director and Chief Executive Officer Executive director	WAVE Entertainment Pcl. Kim Eng Securities (Thailand) Plc. Association of Securities Companies	none	none

Note * In accordance with report as of 15 October 2009, date of latest closing the shareholders' registration book.

Details of Executives and Controlled persons 2009

Name / Title	Age	Education	Number of share holding of the Company (%)*	Relationship with Management	Work Experience			Previous record in illegal dealing	Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction
					Period	Title	Company		
9 Mr.Somsak Phayapdacharchai Independent Director and a Member of Audit Committee	61	Diploma Degree Major in Marketing Armstrong College AA Berkley , California USA. Director Accreditation Program : DAP by Thai Institute of Director Association (IOD)	None	None	1999 – Present 1973 – Present	Independent Director and a Member of Audit Committee Deputy Managing Director	WAVE Entertainment Pcl. Five Stars Production Co.,Ltd.	none	none
10 Mrs.Sudjit Divari Independent Director, Chairman of Audit Committee, Member of the Nomination and Remuneration Committee and Member of Risk Management Committee	62	B.B.A. in Accounting, Chulalongkorn University M.B.A. Business Administration Thammasart University MBA State University of California at Fresno, U.S.A. Director Certification Program : DCP and Director Accreditation Program : DAP and Audit Committee Program : ACP by Thai Institute of Director Association (IOD)	None	None	1999 – Present Jan 2004 – Present Nov 2004 – Present 1997 – Present 2004 – Present Nov 2005 – Present 2008-Present 2008-Present 2004 – Mar07	Independent Director, Chairman of Audit Committee, Member of the Nomination and Remuneration Committee and Member of Risk Management Committee Executive Director Independent Director and a Member of Audit Committee Independent Director and a Member of Audit Committee Independent Director and a Member of Audit Committee Independent Director and a Member of Audit Committee Independent Director and Chairman of Audit Committee	WAVE Entertainment Pcl. United Factoring (1993) Co.,Ltd. Rasa Property Development Pcl. Siam Gas and Petrochemical Pcl. Unique Gas and Petrochemical Pcl. Lynn Phillips Mortgage Credit Foncier Co., Ltd. Sunwood Industries Pcl.	none	none
11 Mrs.Monluedee Sookpantarat Director, Member of Risk Management Committee, Member of Investment Committee Chief Financial Officer (CFO) Authorized Director	45	B.B.A. in Accounting (Hons.) Thammasart University Master of Science in Accounting Thammasart University Certified Public Accountant, Thailand Diploma for Passing the Examination of Directors Certification Program: DCP and Director Accreditation Program : DAP Audit Committee Program : ACP by Thai Institute of Director Association (IOD)	None	None	23 Nov 2007 – Present Jan 2007 – Present Nov 2004 – Present Aug 2003 – Present Apr 2001 – Present 2000 – Aug 2003 1997 – 1999 1987 – 1996	Independent Director and a Member of Audit Committee Member of Investment Committee Member of Risk Management Committee Authorized Director and CFO Director Group Financial Controller Financial Controller Audit Manager	Asiasoft Corporation Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. CVD International Co.,Ltd. Ernst & Young Co.,Ltd.	none	none

Note * In accordance with report as of 15 October 2009, date of latest closing the shareholders' registration book.

Details of Executives and Controlled persons 2009

	Name / Title	Age	Education	Number of share holding of the Company (%)*	Relationship with Management	Work Experience			Previous record in illegal dealing	Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction
						Period	Title	Company		
12	Mr.Chokechai Tutiyaporn Group General Manager Group Legal Director and National Sales Division Head and Upcountry Sales Department Head	51	Bachelor of Law, Faculty of Law, Ramkhamhaeng University Barrister-at-Law (Thai Bar.)	None	None	Sep 2009 - Present Dec 2006 - Present Aug 2005 -Nov 2006 Feb 2003 -Present	Group General Manager National Sales Division Head and Upcountry Sales Department Head Sales Agent Director Group Legal Director	WAVE Entertainment Pcl. CVD International Co.,Ltd. CVD International Co.,Ltd. WAVE Entertainment Pcl.	none 	none
13	Mrs.Chantira Srimuangpan Director of the Internal Audit Office	48	B.B.A. in Accounting Thammasart University	None	None	Aug 2003 – Present 1998 - Aug 2003	Director of the Internal Audit Office Manager of the Internal Audit Office	WAVE Entertainment Pcl. WAVE Entertainment Pcl.	none 	none
14	Mr.Ignatius Muljono ¹ Group General Manager	43	Master of Business Administration, The George L. Graziadio School of Business and Management, Pepperdine University Bachelor of Science in Business Administration	None	None	Oct 2006 - Aug 2009 Sep 2006 – 2008 2000 - 2003 2003 – 2006	Group General Manager General Manager and Senior Marketing & Sales Manager Director Chairman	WAVE Entertainment Pcl. CVD International Co.,Ltd. P.T. Zuellig Pharma P.T. PNC	none 	none

Note * In accordance with report as of 15 October 2009, date of latest closing the shareholders' registration book.

¹ resigned during 2009

Details of Executives and Controlled persons 2009

Type of business in which executives and Controlled persons have experience:

Name	Type of business	Name	Type of business
Ministry of Tourism and Sports	Government Enterprise	Five Stars Production Co.,Ltd. :	Entertainment
Ministry of Social Development and Human Society	Government Enterprise	Maleenont Tower Co.,Ltd.	Property
Ministry of Transport	Government Enterprise	United Factoring (1993) Co.,Ltd. :	Debt factoring
Ministry of Interior	Government Enterprise	Unique Gas and Petrochemical Pcl.	Petrochemical
Kim Eng Securities (Thailand) Plc.	Securities Trading	Rasa Property Development Pcl. :	Property
Lynn Phillips Mortgage Credit Foncier Co., Ltd.	Credit Foncier	Siam Gas and Petrochemical Pcl. :	Petrochemical
WAVE Entertainment Pcl.:	Entertainment	Asiasoft Corporation Pcl.	Games online business
CVD International Co.,Ltd. :	Entertainment	Ernst & Young Co.,Ltd. :	Auditing services
Bankok Bank Pcl. :	Banking	Thai Berverage Pcl.	Consumers product
Tejin Polyester Co.,Ltd. :	Textile Industry	Ocean Glass Pcl. :	Glassware manufacturer
Total Access Communication Pcl.:	Communication	Hitech Nitzo (Thailand) Co.,Ltd.	Transportation services
Thai Industrial Estate Co.,Ltd. :	Property	Chayapat Law Office :	Law Office
BEC World Pcl.:	Entertainment	Gillette Asia Pacific Group	retailing of consumer products
BEC -Tero Entertainment Pcl.	Entertainment	P.T. Zuellig Pharma	pharmaceutical and healthcare distributor
Thai Audiotex Services Co.,Ltd.	Entertainment	P.T. PNC	Advisory
U&I Corporation Co.,Ltd.	Entertainment		
TVB Tree Network Co.,Ltd.	Entertainment		
BEC Multimedia Co.,Ltd.	Entertainment		

Management Discussion , Analysis of Financial Positions and Operating Results

Operating Results

- The operating result of the Company and its subsidiaries for the year 2009 was net loss of Baht 11.1 million, decreased by Baht 12.4 Million or 53% from prior year of net loss of Baht 23.5 million.

Regardless employee benefits expense amount of Baht 7.68 Million, initially adopted an International Accounting Standard No. 19 Employee Benefits, for the purpose of accounting for its retirement benefits obligation on Q4/2009, WAVE group reported year 2009 Net loss of 3.4 MB., a decrease loss of 86% y-o-y, mainly as a result of dividend income , gain from temporary investment - marketable securities totally of 15.9 MB. We also were able to collect the long outstanding debts which we had fully provided allowance for doubtful debts for since year 2007 amount of Baht 7 Million, gain on relating to unwind transaction amount of Baht 4.9 Million and also the efficiency management of decreasing expenses in overall amount of Baht 16 Millions.

- The majority of total sales and services income, of Baht 66 Million, were derived from the following segments ;

1. Television Programme Producing and distribution segment, amount of Baht 56 Million

(In 2009, there are 3 programmes, sit com “ Mahachonchaoflat”, series programe “BanThuekKam”, and comedy programe “Pho Chae”)

2. Procurement and Sales of copyrighted video tapes, video CDs and DVDs segment , amount of Baht 6 Million

3. Sublease service, amount of Baht 4 Million

- According to gross profit increased 100% from prior year, effect from the operating results of current core business – TV Programme Production, sales of rights on drama series in form of VCDs and DVDs and sublease service.

- Selling & administrative expenses decreased by 46% from prior year, mainly due to efficiency management of decreasing expenses in overall.

Financial Positions

- WAVE’s group’s financial positions increased from prior year of Baht 7.9 Million or 2%.

- Most of total assets were cash and cash equivalents and current investments, represented 77% of total assets. Most of such investments were in form of deposits at financial institutions and investment in Government / BOT Bond which the Company expected to gain the appropriated yield, compared with low investment risk (portion of deposits at financial institutions and investment in Government / BOT Bond against marketable securities was 89:11). In aspect of accounts receivable-net, represented 4% of total assets, derived from Television Programme Producing and distribution segment.

- Total liabilities increased from prior year by Baht 19 Million or 42%. Most of total liabilities were current operating liabilities items. Presently, WAVE Group had no loan from third parties.

● Total the Company Shareholders' equity decreased from prior year by Baht 11.1 Million. Apart from the impact of net loss, the Company had registered the decrease in paid – up capital to Ministry of Commerce on July 2009, according to the completion of unwind transaction. Therefore, Registration capital and Paid-up capital after such registration will be Baht 324 Million, comprised of 32.4 million ordinary shares with a par value of baht 10.00 each.

Financial Ratios

● The Company's liquidity ratio decreased from 9.78 times to 8.08 times in 2009 and quick ratio also decreased from 9.53 times to 7.50 times in 2009, due to the normal operation as well as no capital expenditure in 2009. However, such exist liquidity, managed by investing in current investments, was comprised of cash and cash equivalents and current investments, represented 77% of total assets.

● The Company's operating profit ratio decreased from (8.28) times to (50.34) times in 2009 resulting from clearance sales and collection of the long outstanding debts in 2008 which we had fully provided allowance for obsolete stocks and allowance for doubtful debts for since prior year.

Auditor fee

Grant Thornton Limited

1. audit fee for the year ending December 31,2009 (1 January – 31 December 2009)

The Company and its subsidiaries had paid audit fee to

- The Company's auditor in the past accounting year totaling Baht 1,070,000 as follow:

Item	Paid by	Auditor's name	Total
1	WAVE Entertainment Plc.	Mrs. Sumalee Chokdeeanant	400,000
2	CVD International Co., Ltd.	Mrs. Sumalee Chokdeeanant	160,000
3	CVD Media Co., Ltd.	Mrs. Sumalee Chokdeeanant	80,000
4	CVD Organizer Co., Ltd.	Mrs. Sumalee Chokdeeanant	160,000
5	WAVE Media Production Co., Ltd.	Mrs. Sumalee Chokdeeanant	250,000
6	CVD Music Co., Ltd.	Mrs. Sumalee Chokdeeanant	20,000
Total audit fee			1,070,000

- Audit firm, person or company related to auditor and audit firm in the past accounting year totaling Baht 0

2. non-audit fee

- none -

Conflict of interest

Transactions with persons who have conflict of interests and related transaction had been presented in notes to the financial statements no.9 and Annual Disclosure Report (Form 56-1) as follows:

1) Sales and services with related parties

Company	Relationship	related transaction	For the year ended 31 December 2009 (Million Baht)	Necessary&Resonable
Group Companies		Sales and services income	Total amount 1.27	
Bangkok Entertainment Co., Ltd.	<ul style="list-style-type: none"> The subsidiary of BEC World Plc., the Company's major shareholders, holding 18% of registered share capital 	<ul style="list-style-type: none"> Income from copyright 	<ul style="list-style-type: none"> amount 1.10 	<ul style="list-style-type: none"> According to such transactions had generated profit therefore, the Management consider the transactions to be reasonable and maximize the Company's values
BECI Corporation Co., Ltd.	<ul style="list-style-type: none"> The subsidiary of BEC World Plc., the Company's major shareholders, holding 18% of registered share capital 	<ul style="list-style-type: none"> SMS TV service income 	<ul style="list-style-type: none"> amount 0.17 	<ul style="list-style-type: none"> According to such transactions had generated profit therefore, the Management consider the transactions to be reasonable and maximize the Company's values
BEC World Plc.	<ul style="list-style-type: none"> The Company's major shareholders, holding 18% of registered share capital 	Dividend income <ul style="list-style-type: none"> Dividend income 	Total amount 2.33 <ul style="list-style-type: none"> amount 2.33 	<ul style="list-style-type: none"> According to securities-BEC World Plc. had the appropriated return, therefore, the Management consider the transactions to be reasonable and maximize the Company's values.

Pricing policy

-Sales and services' pricing was in line with those occurred in the normal course of business based on the market price in general with third parties.

2) Cost of Sales and services with related parties

Company	Relationship	related transaction	For the year ended 31 December 2009 (Million Baht)	Necessary&Resonable
Group Companies		Royalty expenses	Total amount 2.36	
Bangkok Television Co., Ltd.	<ul style="list-style-type: none"> The subsidiary of BEC World Plc., the Company's major shareholders, holding 18% of registered share capital 	<ul style="list-style-type: none"> Royalty expenses 	<ul style="list-style-type: none"> amount 2.36 	<ul style="list-style-type: none"> The Company purchases the copyrights at the standard market prices compared to the price that the Company purchased from other companies. Moreover, when the series are broadcasted on Thai TV Color Channel 3 and become popular, the sales and rental rate of the series are increased, therefore, the Board of Directors consider the transactions to be reasonable and maximize the Company's values
Millionaire Property Fund by Maleenont Tower Co., Ltd. Maleenont Tower Co., Ltd.	<ul style="list-style-type: none"> Same major shareholders with the Company Same major shareholders with the Company 	Rental and service expenses and other expenses <ul style="list-style-type: none"> Rental and service expenses and water and electricity expenses Parking fee 	Total amount 5.73 <ul style="list-style-type: none"> amount 5.69 amount 00.4 	<ul style="list-style-type: none"> The entering into the connected transaction is based on the reasonable ground and supportive reason for smooth and effective operation. Though, the Property Fund proposed the rental rate of the lease of Maleenont Tower, but the said rental rate is at the same rate in the market compared to the adjacent area. Also, if compared to the rental rate as proposed by the Property Fund to other lessees in the Building, the said rental rate is better compared to those proposed to other lessees

Pricing policy

-Cost of Sales and services' pricing was in line with those occurred in the normal course of business based on the market price in general with third parties.

3) Balances with related parties

Company	Relationship	related transaction	As at 31 December 2009 (Million Baht)	Necessary&Resonable
Group Companies		Temporary investment	Total amount 42.56	
BEC World Plc.	<ul style="list-style-type: none"> The Company's major shareholders, holding 18% of registered share capital 	<ul style="list-style-type: none"> Current investment in marketable securities 	<ul style="list-style-type: none"> amount 42.56 	<ul style="list-style-type: none"> Please see no.1
Bangkok Entertainment Co., Ltd.	<ul style="list-style-type: none"> The subsidiary of BEC World Plc., the Company's major shareholders, holding 18% of registered share capital 	Trade receivable <ul style="list-style-type: none"> Income from copyright 	Total amount 1.26 <ul style="list-style-type: none"> amount 1.19 	<ul style="list-style-type: none"> Please see no.1
BECI Corporation Co., Ltd.	<ul style="list-style-type: none"> The subsidiary of BEC World Plc., the Company's major shareholders, holding 18% of registered share capital 	<ul style="list-style-type: none"> SMS TV service income 	<ul style="list-style-type: none"> amount 0.07 	
Bangkok Television Co., Ltd.	<ul style="list-style-type: none"> The subsidiary of BEC World Plc., the Company's major shareholders, holding 18% of registered share capital 	Other payables <ul style="list-style-type: none"> Accrued royalty expense 	Total amount 1.23 <ul style="list-style-type: none"> amount 1.21 	<ul style="list-style-type: none"> Please see no.2
Millionaire Property Fund by Maleenont Tower Co., Ltd.	<ul style="list-style-type: none"> Same major shareholders with the Company 	<ul style="list-style-type: none"> Rental and service expenses and water and electricity expenses 	<ul style="list-style-type: none"> amount 0.02 	
Maleenont Tower Co., Ltd.	<ul style="list-style-type: none"> Same major shareholders with the Company 	<ul style="list-style-type: none"> Parking fee 	<ul style="list-style-type: none"> amount 0.002 	
BEC World Plc.	<ul style="list-style-type: none"> The Company's major shareholders, holding 18% of registered share capital 	Advance received for television programme <ul style="list-style-type: none"> Advance received for television programme 	Total amount 20.12 <ul style="list-style-type: none"> amount 20.12 	<p>The entering into the connected transaction is based on the reasonable ground and supportive reason for smooth and effective operation. Though, the subsidiary had operated drama production to broadcast on Thai TV Color Channel 3, popular and nationwide channel, and also the production service rate could compared to the rate that Channel 3 give to other production houses.</p>

4) long-term loan to / from related party

none

- The independent directors' opinion on related transactions

The Audit Committee had opinion that the Company carried out the transactions with conflicts of interests and connected transactions mentioned above in accordance with the regulations of the Stock Exchange of Thailand, at prices and with conditions equivalent to those applied to all other transactions with third parties (Arm's Length Basis), which were considered as normal practices by the Company which gave the maximize benefits. The opinion was based on a full review of the Company's compliance with the relevant regulations and legislations, as well as information disclosures in relation to those transactions.

- Related transactions' approval procedures

According to the Company's policies, all transactions with conflict of interests persons must be screened by the Company's Management and proposed to the Board of Directors and / or Shareholders' Meeting for approval in accordance with the procedures set by the Company's regulations and the notifications of the Stock Exchange of Thailand on listed companies' information disclosures and procedures on connected transactions. In addition, the Board of Directors and Audit Committee must express their opinions that such transactions are reasonable and appropriate to maximize benefits for the Company, being the same nature as normal transactions with third parties, being approval by persons having no interests in such transactions and also completely disclosure and all parties concerned have acted in line with the Company's good corporate governance.

- Policy or trend of related transactions in the future

The Company policy or trend of related transactions in the future is of similar nature to the previous year.

∞ Related transactions in the future are still the normal business transactions, no extra transaction and no conflict of interests between the company, subsidiaries, associated company, related company and also shareholders. Pricing policy was in line with those occurred in the normal course of business based on the market price in general with third parties.

∞ The Company's Board of Directors is aware of transactions with conflicts of interest and connected transactions and always considers their appropriateness cautiously and complies with regulations of the Stock Exchange of Thailand. The relevant prices and conditions are equivalent to those applied to transactions made with third parties (Arm's Length Basis). These are regarded as the Company's normal business transactions, while having aware of the Company's maximizing profit. All the details of such transactions are fully disclosed in the Annual Report and Form 56-1.

∞ All transactions with major shareholders, directors, executives or other parties related to them must be properly approved in accordance with the Company's regulations and by persons having no interests in such transactions.

Statement of the Board of Directors' Responsibilities for the Financial Reporting

The Board of Directors of WAVE Entertainment Pcl. has managed to prepare consolidated and separate financial statements to present the financial positions and operational results of the Company and its subsidiaries, as well as financial information contained in the Company's Annual Report of 2009, which are true and reasonable in accordance with all relevant regulations and legislations.

Directors have their accountability and responsibility on behalf of directors of listed companies for governance and ensuring that the Company's financial reporting present fairly, accuracy, completely, transparency and sufficiency for maintaining the Company's assets and for determining the weak points and material issues. There will also be sufficient disclosures of significant information in notes to financial statements, complied with proper and consistency accounting policies, as well as reasonable and prudent judgment and estimation in accordance with generally accepted accounting standards.

In order for the governance of financial reporting to be efficient, the Company's Board of Directors have set up the Audit Committee, with three independent directors who do not hold any positions on the Executive Board, responsible for supervising the quality of financial reporting and the internal control systems. The supervision of compliance with the internal control system is the duty of the Internal Audit Office which reports directly to the Audit Committee whose opinions on the aforementioned matters are detailed in the Company's Annual Report.

The Company's Board of Directors' opinion, the consolidated financial statements and the separate financial statements of WAVE Entertainment Pcl. and its subsidiaries and of WAVE Entertainment Pcl., which the Audit Committee has reviewed jointly with the Company's executives and external auditors, Grant Thornton Co., Ltd., present fairly in all material respects and operational results in accordance with generally accepted accounting standards, proper and consistency accounting policies, sufficient information disclosures and compliance with relevant legislations and regulations, along with prudent and cautious considerations.



Mr. Pracha Maleenont
Chairman

On behalf of the Board of Directors

REPORT OF THE INDEPENDENT AUDITOR

To the Shareholders of WAVE Entertainment Public Company Limited
(Formerly “CVD Entertainment Public Company Limited”)

I have audited the accompanying consolidated balance sheets as at 31 December 2009 and 2008 of WAVE Entertainment Public Company Limited and subsidiaries, and the related consolidated statements of income and changes in shareholders' equity and cash flows for the years then ended. I have also audited the separate balance sheets as at 31 December 2009 and 2008 of WAVE Entertainment Public Company Limited, and the related statements of income and changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statement referred to above present fairly, in all material respects, the consolidated financial positions as at 31 December 2009 and 2008, and the consolidated results of their operations and cash flows for the years then ended of WAVE Entertainment Public Company Limited and subsidiaries, and the Company's separate financial positions as at 31 December 2009 and 2008, and the results of its operations and cash flows for the years then ended, in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to the matter discussed in Note 19 to the financial statements that the Company's management and the former shareholder of Day Poets Co., Ltd. agreed to unwind the former agreement for sale and purchase of shares as if it has never occurred. The result of this unwind agreement was effective from 1 December 2008 and was passed a resolution at the Annual General Meeting of Shareholders no.16/2009, held on 29 April 2009. The Company therefore, classified the said investment as “Investment held-for-unwind transaction” as a

deduction under the shareholders' equity for the proper presentation of financial position as at 31 December 2008. In addition, on 24 July 2009, the Company registered the decrement in share capital with the Ministry of Commerce by decreasing 3 million shares at par value of Baht 10 each, totaling Baht 30 million. The Company therefore, recorded unwind transaction by decreasing the whole amount of investment held-for-unwind transaction. This reduced the Company's share capital by Baht 30 million and increase deficit by Baht 43 million and Baht 45 million for the consolidated and separate financial statements, respectively, for the year ended 31 December 2009.

Sumalee

SUMALEE CHOKDEEANANT

Certified Public Accountant

Registration No. 3322

Bangkok, Thailand

12 February 2010



WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
(FORMERLY "CVD ENTERTAINMENT PUBLIC COMPANY LIMITED")

BALANCE SHEETS

AS AT 31 DECEMBER 2009 AND 2008

(Unit : Baht)

	Notes	CONSOLIDATED		SEPARATE F/S	
		2009	2008	2009	2008
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	6	222,248,376	280,457,984	173,578,731	152,657,537
Temporary investments - financial instruments	7	144,101,201	98,115,000	144,101,201	49,545,648
Temporary investments - related company	7	42,558,000	34,254,000	42,558,000	34,254,000
Trade accounts receivable					
- general customer - net	8	17,879,028	20,181,675	10,012,418	2,230,259
- related companies	8, 9	1,255,202	2,991,316	1,307,975	2,991,316
Short-term loans to subsidiary companies	9	-	-	-	23,100,000
Inventories - net	10	136,776	-	136,776	-
Television programmes production in process		24,710,569	1,882,414	5,003,523	-
Other current assets - net		8,397,720	9,510,797	2,600,336	2,130,112
Total Current Assets		461,286,872	447,393,186	379,298,960	266,908,872
NON - CURRENT ASSETS					
Investments accounted for by the					
cost method - net	11	-	-	64,318,871	186,734,620
Other long-term investment - net	12	-	-	-	-
Equipment - net	13	13,255,934	17,890,953	-	-
Leasehold rights - net	14	11,437,153	12,822,574	11,437,153	-
Non - operating asset - net	15	36,457,710	36,457,710	36,457,710	36,457,710
Other non - current assets		10,868,048	10,868,564	111,130	58,000
Total Non - Current Assets		72,018,845	78,039,801	112,324,864	223,250,330
TOTAL ASSETS		533,305,717	525,432,987	491,623,824	490,159,202

The accompanying notes form an integral part of these financial statements.

WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
(FORMERLY "CVD ENTERTAINMENT PUBLIC COMPANY LIMITED")

BALANCE SHEETS

AS AT 31 DECEMBER 2009 AND 2008

(Unit : Baht)

		CONSOLIDATED		SEPARATE F/S	
	Notes	2009	2008	2009	2008
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Trade accounts payable - general suppliers		14,001,096	15,201,026	10,525,755	5,940,595
Trade accounts payable - related companies	9	-	1,575,912	-	1,575,912
Other payables - related companies	9	1,229,083	1,341,500	1,209,039	-
Advance received for television programme	9	20,120,000	-	-	-
Accrued royalty fees	16	-	6,982,314	-	-
Accrued expenses		15,951,492	15,574,408	600,823	886,359
Other current liabilities		5,791,472	5,069,693	3,462,428	524,795
Total Current Liabilities		57,093,143	45,744,853	15,798,045	8,927,661
NON - CURRENT LIABILITY					
Provision for employee benefits	17	7,682,182	-	863,290	-
Total Non - Current Liability		7,682,182	-	863,290	-
TOTAL LIABILITIES		64,775,325	45,744,853	16,661,335	8,927,661
SHAREHOLDERS' EQUITY					
Share capital - common share, Baht 10 par value	18, 19				
- Authorized 32,400,000 shares					
(As at 31 December 2008 : 35,400,000 shares)		324,000,000	354,000,000	324,000,000	354,000,000
- Issued and fully paid - up 32,400,000 shares					
(As at 31 December 2008 : 35,400,000 shares)		324,000,000	354,000,000	324,000,000	354,000,000
Premium on common shares		370,773,735	370,773,735	370,773,735	370,773,735
Investment held-for-unwind transaction	19	-	(73,233,875)	-	(75,000,000)
Discount from increment of investment in subsidiary company		(1,063,239)	(1,063,239)	-	-
Retained earnings (deficit)					
- Appropriated for legal reserve		16,726,352	16,726,352	16,726,352	16,726,352
- Deficit		(241,906,757)	(187,605,641)	(236,537,598)	(185,268,546)
Shareholders' equity of the Company - net		468,530,091	479,597,332	474,962,489	481,231,541
Minority interest in subsidiary companies		301	90,802	-	-
TOTAL SHAREHOLDERS' EQUITY		468,530,392	479,688,134	474,962,489	481,231,541
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		533,305,717	525,432,987	491,623,824	490,159,202

The accompanying notes form an integral part of these financial statements.

WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
(FORMERLY "CVD ENTERTAINMENT PUBLIC COMPANY LIMITED")
STATEMENTS OF INCOME
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Unit : Baht)

	Notes	CONSOLIDATED		SEPARATE F/S	
		2009	2008	2009	2008
REVENUES FROM SALES AND SERVICES	9				
Revenues from sales of goods		5,598,621	70,900,818	3,200,035	9,485,839
Revenues from rendering of services		60,515,972	80,083,859	10,243,175	-
Total Revenues from sales and services		66,114,593	150,984,677	13,443,210	9,485,839
COSTS OF GOODS SOLD AND SERVICES					
Costs of sales		3,788,281	83,792,612	2,031,779	12,459,054
Cost of services		50,042,034	61,052,682	9,362,873	-
Total Costs of Goods Sold and Services		53,830,315	144,845,294	11,394,652	12,459,054
Gross profit (loss)		12,284,278	6,139,383	2,048,558	(2,973,215)
Dividend income	7, 9	2,334,800	2,244,500	2,334,800	2,244,500
Interest income	9	6,349,760	12,055,607	4,592,410	7,890,814
Gain from temporary investments in marketable securities	7	13,533,278	-	13,533,278	-
Other income	20	10,991,446	9,499,537	5,595,406	2,100,097
Income before expenses		45,493,562	29,939,027	28,104,452	9,262,196
Selling expenses	9	(3,523,755)	(4,333,803)	(41,100)	(556,286)
Administrative expenses	9	(33,477,665)	(62,363,620)	(4,979,017)	(10,162,297)
Management benefit expenses		(22,743,696)	(25,324,166)	(3,890,412)	(5,608,600)
Employee benefits expenses	17	(7,682,182)	-	(863,290)	-
Loss from temporary investments in marketable securities	7	-	(23,829,460)	-	(23,829,460)
Reversal of allowance for doubtful debts		7,064,633	21,028,769	159,427	1,574,412
Reversal of allowance for obsolete inventories		2,164,232	39,717,104	-	257,657
Loss from destruction of inventories		-	(5,809,638)	(681,887)	-
Reversal of allowance (loss) for impairment of investment in subsidiaries		3,299,190	-	(22,415,748)	-
Reversal of allowance (loss) for impairment of assets		(1,661,744)	8,999,119	(1,661,477)	102,471
Total expenses		(56,560,987)	(51,915,695)	(34,373,504)	(38,222,103)
Net loss before financial costs		(11,067,425)	(21,976,668)	(6,269,052)	(28,959,907)
Financial costs		-	(53,185)	-	(5,905)
NET LOSS		(11,067,425)	(22,029,853)	(6,269,052)	(28,965,812)
ALLOCATION OF INCOME (LOSS)					
Portion of the Company		(11,067,241)	(23,493,485)	(6,269,052)	(28,965,812)
Portion of minority interests of the subsidiaries		(184)	1,463,632	-	-
		(11,067,425)	(22,029,853)	(6,269,052)	(28,965,812)
BASIC EARNINGS PER SHARE					
Net loss attributable to the Company per share (Baht)		(0.32)	(0.69)	(0.18)	(0.85)
Weighted average number of common share (shares)		34,076,712	33,898,033	34,076,712	33,898,033

The accompanying notes form an integral part of these financial statements.

WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY "CVD ENTERTAINMENT PUBLIC COMPANY LIMITED")

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Unit : Baht)

		Shareholders' equity of the Company							
				Discount from					
		Issued and	Premium on	increment of	Investment	Retained earnings (deficit)		Minority	
Notes		paid - up	common shares	investment in	held-for-unwind	Legal reserve	Deficit	Total	interests
		share capital	subsidary company	transaction					Total
<u>CONSOLIDATED</u>									
Balance as at 1 January 2008		324,000,000	325,773,735	-	-	16,726,352	(164,112,156)	502,387,931	(936,109)
Increase in issued and paid-up capital	18	30,000,000	45,000,000	-	-	-	-	75,000,000	-
Decrease in minority interest		-	-	-	-	-	-	-	(436,721)
Net loss for the year		-	-	-	-	-	(23,493,485)	(23,493,485)	1,463,632
Discount from increment of investment in subsidiary company		-	-	(1,063,239)	-	-	-	(1,063,239)	-
Balance as at 1 January 2009 , previously reported		354,000,000	370,773,735	(1,063,239)	-	16,726,352	(187,605,641)	552,831,207	90,802
Reclassification of investment held-for-unwind transaction	19	-	-	-	(73,233,875)	-	-	(73,233,875)	-
Balance as at 1 January 2009 - after reclassification		354,000,000	370,773,735	(1,063,239)	(73,233,875)	16,726,352	(187,605,641)	479,597,332	90,802
Decrease in issued and paid-up capital	19	(30,000,000)	-	-	73,233,875	-	(43,233,875)	-	-
Decrease in minority interest		-	-	-	-	-	-	-	(90,317)
Net loss for the year		-	-	-	-	-	(11,067,241)	(11,067,241)	(184)
Balance as at 31 December 2009		324,000,000	370,773,735	(1,063,239)	-	16,726,352	(241,906,757)	468,530,091	301

The accompanying notes form an integral part of these financial statements.

WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(FORMERLY "CVD ENTERTAINMENT PUBLIC COMPANY LIMITED")

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Unit : Baht)

SEPARATE F/S

	Notes	Issued and paid - up share capital	Premium on common shares	Investment held-for-unwind transaction	Retained earnings (deficit) Legal reserve	Deficit	Total
Balance as at 1 January 2008		324,000,000	325,773,735	-	16,726,352	(156,302,734)	510,197,353
Increase in issued and paid-up capital	18	30,000,000	45,000,000	-	-	-	75,000,000
Net loss for the year		-	-	-	-	(28,965,812)	(28,965,812)
Balance as at 1 January 2009 , previously reported		354,000,000	370,773,735	-	16,726,352	(185,268,546)	556,231,541
Reclassification of investment held-for-unwind transaction	19	-	-	(75,000,000)	-	-	(75,000,000)
Balance as at 1 January 2009 - after reclassification		354,000,000	370,773,735	(75,000,000)	16,726,352	(185,268,546)	481,231,541
Decrease in issued and paid-up capital	19	(30,000,000)	-	75,000,000	-	(45,000,000)	-
Net loss for the year		-	-	-	-	(6,269,052)	(6,269,052)
Balance as at 31 December 2009		324,000,000	370,773,735	-	16,726,352	(236,537,598)	474,962,489

The accompanying notes form an integral part of these financial statements.

WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
(FORMERLY "CVD ENTERTAINMENT PUBLIC COMPANY LIMITED")
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

			(Unit : Baht)	
	CONSOLIDATED		SEPARATE F/S	
	2009	2008	2009	2008
Cash Flows from Operating Activities				
Loss before income tax	(11,067,425)	(22,029,853)	(6,269,052)	(28,965,812)
Adjustments to Reconcile to Net Cash Provided from				
(Used in) Operating Activities:				
Depreciation	4,961,652	5,130,689	-	1,292
Amortization	1,385,421	1,385,422	692,711	-
Unrealized loss (gain) on temporary investments	(9,573,478)	16,746,628	(9,573,478)	16,746,628
Loss (gain) from sales of temporary investments	(3,959,800)	7,082,832	(3,959,800)	7,082,832
Gain from sale fixed assets	-	(2,126,508)	-	(445,325)
Reversal of allowance for doubtful accounts	(7,064,633)	(21,028,769)	(159,427)	(1,574,412)
Reversal of allowance for obsolete inventories	(2,164,232)	(39,717,104)	-	(257,657)
Loss from destruction of inventories	-	5,809,638	681,887	-
Loss (reversal of provision) for goods return	(198,010)	198,010	(198,010)	198,010
Gain from written-off accounts receivable and payables relating to unwind transaction	(4,066,134)	-	(4,066,134)	-
Loss (reversal of allowance) for the sale of investments in subsidiaries	(3,299,190)	-	22,415,748	-
Loss (reversal of allowance) for impairment of assets	1,661,744	(8,999,119)	1,661,477	(102,471)
Unrealized loss (gain) from exchange rate	(235,111)	1,593,867	(235,111)	1,593,867
Reversal of accrued employee compensation	-	(6,160,493)	-	(1,094,310)
Provision for employee benefits	7,682,182	-	863,290	-
Interest expense	-	53,185	-	5,905
Cash Provided from (Used in) Operations before Changes				
in Operating Assets and Liabilities	(25,937,014)	(62,061,575)	1,854,101	(6,811,453)
Decrease (Increase) in Operating Assets				
Trade accounts receivable	8,366,798	5,345,282	(8,589,538)	(129,482)
Inventories	2,027,456	34,395,156	(818,663)	262,657
Television programmes production in process	(24,489,899)	(874,414)	(6,665,000)	-
Other current assets	878,858	8,713,986	(690,189)	1,861,415
Other non - current assets	(1,714,961)	(1,443,815)	(107,130)	(58,000)
Increase (Decrease) in Operating Liabilities				
Trade accounts payable	4,353,170	10,795,394	10,138,260	7,016,642
Advances from customers	-	(535,962)	-	-
Other payables - related companies	112,417	(5,063,620)	1,209,039	-
Advance received for television programme	20,120,000	-	-	-
Accrued royalty fees	(981,761)	(6,204,688)	-	-
Accrued expenses	928,029	(11,882,210)	(268,592)	(2,770,249)
Other current liabilities	496,945	(5,927,073)	3,370,030	60,800
Cash paid from operations	(15,839,962)	(34,743,539)	(567,682)	(567,670)
Interest paid	-	(53,185)	-	(5,905)
Withholding tax paid	(1,264,304)	(3,365,074)	(54,987)	(286,659)
Net Cash Used in Operating Activities	(17,104,266)	(38,161,798)	(622,669)	(860,234)

The accompanying notes form an integral part of these financial statements.

WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
(FORMERLY "CVD ENTERTAINMENT PUBLIC COMPANY LIMITED")
STATEMENTS OF CASH FLOWS (CONTINUE)
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

	CONSOLIDATED		SEPARATE F/S	
	2009	2008	2009	2008
Cash Flows from Investing Activities				
Increase in temporary investments	(43,091,723)	(106,799,397)	(91,661,074)	(58,336,108)
Decrease (increase) in short-term loans to related companies	-	-	23,100,000	(23,100,000)
Cash received from sale of equipment	-	60,584,484	-	464,065
Purchase of equipment	(326,633)	(16,544,167)	-	-
Purchase of leasehold rights	-	-	(12,129,864)	-
Paid for investment in subsidiary	-	(1,499,990)	-	(1,499,990)
Dividend received	2,334,800	2,244,500	2,334,800	2,244,500
Cash paid from sale of investment in subsidiary (net from cash of the subsidiary)	(21,786)	(98,119)	-	-
Cash received from decreased in share capital of subsidiary	-	-	99,900,001	-
Net Cash Provided from (Used in) Investing Activities	(41,105,342)	(62,112,689)	21,543,863	(80,227,533)
Net increase (decrease) in cash and cash equivalents	(58,209,608)	(100,274,487)	20,921,194	(81,087,767)
Cash and cash equivalents at beginning of the year	280,457,984	380,732,471	152,657,537	233,745,304
Cash and cash equivalents at end of the year	222,248,376	280,457,984	173,578,731	152,657,537

The accompanying notes form an integral part of these financial statements.

WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
(FORMERLY “CVD ENTERTAINMENT PUBLIC COMPANY LIMITED”)
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2009 AND 2008

1. GENERAL INFORMATION

The Company registered its incorporation with the Ministry of Commerce as a limited company in the year 1988. Then registered the change of its status to a public company limited in the year 1993. On 30 April 2009, the Company registered to change its name to “WAVE Entertainment Public Company Limited”. The Company ceased production of video-tape in year 2002. At present, the Company confines itself to investments in other companies and producing television programme. During the year 2008, the Company was engaged in publishing business and ceased such operation in December at the same year. The major shareholder of the Company is BEC World Public Company Limited, who is holding 20% of the Company’s outstanding share capital.

The Company’s registered office is located at 3199, 15th Floor, Maleenont Tower, Rama IV Road, Kwaeng Klongtan, Khet Klongtoey, Bangkok.

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 The accompanying consolidated financial statements include the financial statements of WAVE Entertainment Public Company Limited and its subsidiaries (“the Group”) in which the Company has control or investment over 50% of their voting rights. These subsidiaries are detailed as follows :

Subsidiaries	Type of Business	Percentage of Shareholding	
		2009	2008
CVD International Co., Ltd.	Sales of rights on drama series in form of VCDs and DVDs	99.99	99.99
CVD Media Co., Ltd.	Sublease	99.99	99.99
CVD Music Co., Ltd.	Temporary ceased its operations	-	51.00
CVD Organizer Co., Ltd.	Marketing events services	99.99	99.99
Wave Media Production Co., Ltd. (Formerly “CVDE Production Co., Ltd.”)	Television program producing	99.99	99.99

CVDE Production Co., Ltd. had changed its name to Wave Media Production Co., Ltd. and registered the change of the name with Ministry of Commerce on 30 April 2009.

2.2 The consolidated financial statements have been prepared with the consolidation of all subsidiaries from the date of acquisition, being the date of which the company obtains control, and will continue to the date that such control ceases.

2.3 Significant intercompany transactions between the Company and the subsidiaries have been eliminated.

- 2.4 The consolidated financial statements have been prepared with the same accounting policies as for the separate financial statements for the same accounting transactions or accounting events.
- 2.5 On 1 July 2008, the Company invested in common share of Day Poet Co., Ltd. by swapping the increment in the Company's share capital of 2.88 million shares (Baht 10 par value) at Baht 25 per share, to the former shareholder of Day Poet Co., Ltd. Subsequently, the Company entered into an agreement to unwind such investment effective from 1 December 2008. The Company, therefore, include the operating results of Day Poet Co., Ltd., for five months up to the date its ceased control of such company according to the agreement between the Company and former shareholder of such company.
- 2.6 On 19 August 2009, the Company sold investment in common share of CVD Music Co., Ltd., in which the Company held of 2,039,995 shares (Baht 10 par value), to third party for Baht 1. The Company, therefore, include the operating results of CVD Music Co., Ltd. since they had control up to the date its ceased control in such subsidiary company.

3. THE INITIAL ADOPTION OF INTERNATIONAL ACCOUNTING STANDARD (IAS) NO. 19 EMPLOYEE BENEFITS

In forth quarter of year 2009, the Company and the subsidiaries have adopted an International Accounting Standard No. 19, Employee Benefits, for the purpose of accounting for its retirement benefit obligations. Such obligations are presented in the balance sheets under the provision for employee benefits as discussed in Note 17. In addition, the transitional liabilities were recorded as expense in the statement of income of year 2009 in full amount.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Financial Statement Preparation

The accompanying financial statements have been prepared in accordance with the generally accepted accounting principles issued under the Accounting Act B.E. 2543 and the Federation of Accounting Professions Act B.E. 2547 and the regulations promulgated by the Securities Exchange Commission and the Stock Exchange of Thailand concerning the preparation and disclosure of financial information under the Securities Exchange Act B.E. 2535.

The financial statement are officially prepare in accordance with statutory requirement and in Thai language in accordance with accounting standards enumerated under the Accounting Profession Act B.E. 2547. The translation of these financial statements to other language must be in based on the Thai version.

The financial statements have been prepared on a historical cost basis except as, otherwise, disclosed in the accounting policies.

During the years 2008 and 2009, the Federation of Accounting Professions announced amendments to some accounting standards and accounting treatment guidance, which are effective for the accounting periods beginning on or after 1 January 2009, 1 January 2011 and 1 January 2012. The Company's management has assessed the effect of those revised accounting standards and believes that they do not have any significant impact on the financial statements for the period in which they are initially applied.

The Federation of Accounting Professions has issued the Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statement are corresponding to those per this notification.

4.2 Subsidiary Companies

Investments in subsidiary companies are accounted for in the separate financial statements by the cost method of accounting. Such investment refers to investment in subsidiary company which the Company has more than 50% of voting rights, and over which the Company exercises control.

4.3 Revenues and Costs Recognition

Revenues and expenses are accounted for on an accrual basis.

Revenue from the sale of goods and rights are recognized when the significant risks and rewards of ownership have been transferred to the buyer.

Service income from packaging services, subleasing of leasehold right in department stores, events marketing service and other services income are recognized when the services are rendered.

Dividends are recognized when the right to receive the dividends is established.

Interest income and other income are recognized on accrual basis.

4.4 Cash and Cash Equivalent

Cash and cash equivalents consist of cash in hand, cash at banks and all short – term highly liquid investments with original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Current Investments

Investment in debt and equity security

Investments in debt and equity securities that the Company and subsidiaries intend and are able to hold to maturity are presented at amortised cost, net of allowance for impairment (if any).

Investment in marketable equity securities

Current investments in marketable equity securities, which are classified as trading securities, are stated at fair value. Unrealized gain or loss on valuation of investments is included in the statement of income.

4.6 Trade Accounts Receivable

Trade accounts receivable are stated at cost, net of allowance for doubtful accounts. The Company provides allowance for doubtful accounts based on an estimate of those amounts which may prove to be uncollectible couple with a review of the current status of each receivable.

4.7 Inventories

Inventories are stated at the lower of cost, determined by the weighted average cost method, and net realizable value. Allowances for obsolete inventories are estimated based on slow moving inventories.

4.8 Television Programs under Process

Television programmers under process are stated at cost and expensed through the statement of income whenever the copyrights are transferred and submitted or after the production is on air.

4.9 Investments Using the Cost Method

Investments in subsidiaries and associated companies are accounted for using the cost method, except in the case where impairment of investment is deemed to have occurred in which case the loss will be charged to the statement of income.

4.10 Other Long - term Investment

Investment in non-marketable equity securities, which is classified as general investment, is stated at cost less allowance for impairment loss. Impairment loss is recognized in the statement of income.

4.11 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets. Depreciation is computed by the straight - line method over the estimated useful life of assets of 3 to 20 years.

4.12 Leasehold Right

Leasehold right is stated at cost net of amortization over the leasehold period. The amortization is computed by the straight – line method.

4.13 Non – operating Assets

Non – operating assets represents property, plant and equipment that are retired from active use and held for disposal. Such property is stated at the carrying amount on transfer from property, plant and equipment less allowance for impairment of assets.

4.14 Impairment of Assets

Long - term tangible and intangible assets are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount of an asset may be higher than its recoverable amount. The difference will be recorded as an impairment loss of assets in the statement of income.

The recoverable amount is measured by comparing the carrying amount of the assets to the future net cash flows from the continue use of assets and net realizable value of the assets at the disposal date.

4.15 Provision for Employee Benefits

This obligation is presented in the balance sheets under the provision for employee benefits as discussed in Note 17. The transitional liabilities were recorded as expense in the statement of income of year 2009 in full amount.

The Company and the subsidiaries obligation in respect of the retirement benefit plans is calculated by estimating the amount of future benefits that employees will have earned in return for their services to the Company and subsidiaries in the current and in the future periods. Such benefits are discounted to the present value using the rate of government bond yields. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

If the benefits under the plans are changed, the portion of the increased benefits relating to the past services of employees is recognized in the income statement on a straight-line basis over the average remaining period until the benefits become vested. The expense is recognized immediately in the income statement when the benefits are paid.

Salaries, wages, bonuses and contributions to the social security and provident funds are recognized as expenses when incurred.

4.16 Foreign Currency Transactions

Foreign currency transactions are converted into Baht at the rate prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies at the end of the year are translated into Baht at the rates of exchange on that date. Gain or loss on translation is included in the statement of income.

4.17 Corporate Income Tax

The computation of corporate income tax in compliance with the Revenue Code, is based on the taxable profit for the year after adding back expenses that are not deductible in determining taxable profit and share of losses from investments in subsidiaries, and the deduction of the share of profits from investments in subsidiaries, and exempted dividend income, according to the Revenue Code.

4.18 Basic Earnings per Share

Basic earnings per share are computed by dividing net income (loss) for the year by the weighted average number of common shares outstanding during the year.

4.19 Operating Leases

The Company recognizes leases of assets under which all the risks and rewards of ownership are effectively retained by the lesser as operating leases. Lease payments under an operating leases are recognized as an expenses over the lease term.

4.20 Segment Information

Segment information is presented in respect of the Company and subsidiaries' businesses. The primary format, business segments, is based on the Company and subsidiaries management and internal reporting structure.

4.21 Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

4.22 Provisions for liabilities and expenses, and contingent assets

Provisions are recognized when the Company and its subsidiaries have present legal or constructive obligations as a result of past events with probable outflow of resources to settle the obligation, and where a reliable estimate of the amount can be made. The contingent asset will be recognized as a separate asset only when the realization is virtually received.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT AND CAPITAL RISK MANAGEMENG

5.1 Critical accounting estimates, assumption and judgments

Estimates, assumption and judgments 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.

a. Impairment of receivables

The Company accounts for allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on historical collection experience couple with a review of outstanding receivables ages at the balance sheet date.

b. Allowance for obsolete, slow-moving and defective inventories

The Company maintains an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnovers and deterioration of each category.

c. Impairment of goodwill

The Company annually review goodwill from investments in subsidiary companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates.

d. Property, plant and equipment and intangible assets

Management regularly determines the estimated useful lives and residual values for the Company's property, plant and equipment and intangible assets, and will revise the depreciation charge where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or no longer in used.

e. Impairment of investment in subsidiaries

Management regularly evaluated the impairment of investment in subsidiary companies. The evaluation is based on results of operation and future plan of its subsidiaries. Such consideration requires the use of management estimate.

f. Leases

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

5.2 Capital risk management

The Company's objective in the management of capital is to safeguard its 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 Company may adjust the amount of dividends paid to shareholders, the return of capital to shareholders, the issue of new ordinary shares, or selling of assets to reduce debts.

6. CASH AND CASH EQUIVALENTS

			(Unit : Baht)	
	Consolidated		Separate F/S	
	2009	2008	2009	2008
Cash and deposits with financial institutions	9,928,934	15,440,511	1,028,561	10,931,114
Promissory notes with maturities of less than 3 months	212,319,442	265,017,473	172,550,170	141,726,423
Total	222,248,376	280,457,984	173,578,731	152,657,537

7. TEMPORARY INVESTMENTS

			(Unit : Baht)	
	Consolidated		Separate F/S	
	2009	2008	2009	2008
Temporary investment – financial instruments				
Investments in marketable securities – cost	1,463,650	8,773,128	1,463,650	8,773,128
Adjustments for changes in value of marketable securities	6,350	(1,263,128)	6,350	(1,263,128)
Investments in marketable securities - net	1,470,000	7,510,000	1,470,000	7,510,000
Fixed deposit	-	110,263	-	-
Promissory notes with maturities over 3 months	142,631,201	90,494,737	142,631,201	42,035,648
Total	144,101,201	98,115,000	144,101,201	49,545,648

Movement during the years ended 31 December 2009 and 2008 of marketable equity securities – other companies, were as follows :

			(Unit : Baht)	
	Consolidated		Separate F/S	
	2009	2008	2009	2008
Book value as at 1 January	7,510,000	-	7,510,000	-
Purchases during the year	62,310,050	39,508,528	62,310,050	39,508,528
Sales during the year	(64,633,331)	(37,207,788)	(64,633,331)	(37,207,788)
Valuation adjustment	(3,716,719)	5,209,260	(3,716,719)	5,209,260
Book value as at 31 December	1,470,000	7,510,000	1,470,000	7,510,000

			(Unit : Baht)	
	Consolidated		Separate F/S	
	2009	2008	2009	2008
Temporary investment – related company				
Investments in marketable securities - cost	40,777,690	40,777,690	40,777,690	40,777,690
Adjustments for changes in value of marketable securities	1,780,310	(6,523,690)	1,780,310	(6,523,690)
Investments in marketable securities - net	42,558,000	34,254,000	42,558,000	34,254,000

Investments in marketable securities are trading securities. The difference between fair value and cost is shown as investment value adjustment in marketable securities. Gains (loss) on investments in marketable securities incurred during the years were included in the statements of income as follows :

			(Unit : Baht)	
	For the years ended 31 December			
	Consolidated		Separate F/S	
	2009	2008	2009	2008
Dividend received	2,334,800	2,244,500	2,334,800	2,244,500
Unrealized gain (loss) on investments in marketable securities	9,573,478	(16,746,628)	9,573,478	(16,746,628)
Gain (loss) from sales of investments in marketable securities	3,959,800	(7,082,832)	3,959,800	(7,082,832)
Gain (loss) from temporary investments in marketable securities	13,533,278	(23,829,460)	13,533,278	(23,829,460)
Total	15,868,078	(21,584,960)	15,868,078	(21,584,960)

8. TRADE ACCOUNTS RECEIVABLE - NET

As at 31 December 2009 and 2008, the aged analysis of accounts receivable are follows :

	Consolidated		Separate F/S	
	2009	2008	2009	2008
<u>Trade accounts receivable - general customers</u>				
Less than and up to 3 months	17,879,028	20,250,125	10,012,418	1,792,984
Over 3 months up to 6 months	-	-	-	-
Over 6 months up to 12 months	-	1,425,050	-	-
Over 12 months	15,047,350	34,006,396	5,307,237	8,186,078
Total	32,926,378	55,681,571	15,319,655	9,979,062
<u>Less</u> Allowance for doubtful accounts	(15,047,350)	(35,301,886)	(5,307,237)	(7,550,793)
Provision for goods returns	-	(198,010)	-	(198,010)
Trade accounts receivable - general customers - net	17,879,028	20,181,675	10,012,418	2,230,259
<u>Trade accounts receivable - related companies</u>				
Less than and up to 3 months	1,255,202	2,936,746	1,207,975	2,936,746
Over 3 months up to 6 months	-	54,570	100,000	54,570
Over 6 months up to 12 months	-	-	-	-
Over 12 months	-	-	-	-
Trade accounts receivable - related companies - net	1,255,202	2,991,316	1,307,975	2,991,316

9. TRANSACTIONS WITH RELATED COMPANIES

The Company has transactions with its subsidiaries, associated and other related companies. Certain portions of the Company's assets, liabilities, sales, other income, costs of sales and selling and administrative expenses represent transactions occurred with its subsidiaries, associated and other related companies. These companies are related through common shareholders and/or directorships. Those transactions with subsidiaries, associated and other related companies as included in the financial statements are determined at the prices in line with those occurred in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

9.1 Balance with related companies :

(Unit : Baht)

		Consolidated		Separate F/S	
	Relationship	2009	2008	2009	2008
<u>Temporary investment</u>					
BEC World Public Co., Ltd.	Group Company	42,558,000	34,254,000	42,558,000	34,254,000
<u>Trade account receivable</u>					
CVD Media Co., Ltd.	Subsidiary	-	-	100,000	-
Wave Media Production Co., Ltd.	Subsidiary	-	-	18,637	-
Day Poet Co., Ltd.	Subsidiary	-	31,131	-	31,131
	Related Company	-			
Traffic Conner Publishing Co., Ltd.			1,660,680	-	1,660,680
Insign Info Co., Ltd.	Related Company	-	1,099,505	-	1,099,505
Tanhoon Co., Ltd.	Related Company	-	114,400	-	114,400
Thirat Co., Ltd.	Related Company	-	74,900	-	74,900
M Pictures Entertainment Public Co., Ltd.	Related Company	-	10,700	-	10,700
Bangkok Entertainment Co., Ltd.	Group Company	1,189,338	-	1,189,338	-
BECI Corporate Co., Ltd.	Group Company	65,864	-	-	-
Total		1,255,202	2,991,316	1,307,975	2,991,316
<u>Trade accounts payable</u>					
Traffic Corner Publishing Co., Ltd.	Related Company	-	920,887	-	920,887
Insign Info Co., Ltd.	Related Company	-	551,427	-	551,427
Tanhoon Co., Ltd.	Related Company	-	58,726	-	58,726
Tanawarin Co., Ltd.	Related Company	-	44,872	-	44,872
Total		-	1,575,912	-	1,575,912
<u>Other payables</u>					
CVD International Co., Ltd.	Subsidiary	-	-	931	-
BEC World Public Co., Ltd.	Group Company	-	872	-	-
Bangkok Television Co., Ltd.	Group Company	1,208,108	1,318,180	1,208,108	-
Millionaire Property Fund by Maleenont Tower Co., Ltd.	Group Company	18,696	22,448	-	-
Maleenont Tower Co., Ltd.	Group Company	2,279	-	-	-
Total		1,229,083	1,341,500	1,209,039	-
<u>Advance received for television programme</u>					
BEC World Public Co., Ltd.	Group Company	20,120,000	-	-	-

9.2 Short - term loans to subsidiary companies :

	(Unit : Baht)	
	Consolidated	Separate F/S
Interest rate		
<u>Subsidiary companies</u>		
CVD Organizer Co., Ltd.		
Balance as at 1 January 2009	-	9,500,000
Loan granted during the period	-	4,200,000
Collection during the period	-	(13,700,000)
Balance as at 31 December 2009	-	-
Wave Media Production Co., Ltd.		
Balance as at 1 January 2009	-	13,600,000
Loan granted during the period	-	8,400,000
Collection during the period	-	(22,000,000)
Balance as at 31 December 2009	-	-
Total	-	-

9.3 Significant transactions with related companies :

Significant transactions with related companies for the years ended 31 December 2009 and 2008 are as follows :

	(Unit : Baht)			
	Consolidated		Separate F/S	
	2009	2008	2009	2008
<u>Sales</u>				
Subsidiaries	-	-	50,000	147,221
Related companies	-	6,229,587	-	4,466,757
Group Companies	1,267,791	4,430,400	1,111,531	-
<u>Rental and other income</u>				
Subsidiaries	-	-	43,645	74,513
<u>Dividend income</u>				
Group Company	2,334,800	1,989,500	2,334,800	1,989,500
<u>Advertising and rights</u>				
Subsidiaries	-	-	50,000	-
Group Companies	2,359,689	3,184,752	1,130,351	-

(Unit : Baht)

	Consolidated		Separate F/S	
	2009	2008	2009	2008
<u>Rental and service expenses and other expenses</u>				
Subsidiary	-	-	322,445	103,600
Group Companies	5,726,558	4,061,040	-	-
Related Company	-	150,000	-	-
<u>Legal consulting</u>				
The Company's director	-	230,000	-	80,000
<u>Interest income</u>				
Subsidiaries	-	-	680,812	654,177
Related Companies	-	20,172	-	-
<u>Interest expense</u>				
Subsidiary	-	-	-	5,905

Cost of sales and cost of services are based on agreements between a subsidiary and related companies. The Company has the same pricing policy and conditions in the normal course of business for other transactions with the subcontractors and third party.

10. INVENTORIES – NET

(Unit : Baht)

	Consolidated		Separate F/S	
	2009	2008	2009	2008
Finished goods	1,841,248	3,868,704	818,663	-
<u>Less Allowance for obsolete inventories</u>	(1,704,472)	(3,868,704)	(681,887)	-
Total Inventories - net	136,776	-	136,776	-

11. INVESTMENTS ACCOUNTED FOR BY THE COST METHOD

Investments accounted for by the cost method consist of the investments in shares of subsidiaries in the separate financial statements, as follows :

(Unit : Thousand Baht)

Subsidiary	Type of Business	Relationship	Paid-up Capital (Million Baht)		% Share Holding		At cost		At net	
			2009	2008	2009	2008	2009	2008	2009	2008
CVD International Co., Ltd.	Sales of rights on of drama series in form of VCDs and DVDs Sales	Shareholders and management	200	200	99.99	99.99	549,999	549,999	64,318	86,735
CVD Media Co., Ltd.	Sublease service	Shareholders and management	100	200	99.99	99.99	142,499	284,998	-	93,999
CVD Music Co., Ltd.	Temporary ceased its operation	Shareholders and management	40	40	-	51.00	-	20,400	-	-
CVD Organizer Co., Ltd.	Marketing events services	Shareholders and management	1	1	99.99	99.99	1,000	1,000	-	1,000
Wave Media Production Co., Ltd	Television program producer	Shareholders and management	5	5	99.99	99.99	5,000	5,000	-	5,000
Total							698,498	861,397	64,318	186,734
Less Allowance for impairment							(634,180)	(674,663)		
Net							64,318	186,734		

In August 2009, the Company sold all shares held in CVD Music Co., Ltd., which full provision had been made, at Baht 1.

In September 2009, CVD Media Co., Ltd decreased the paid - up capital by 1,000,000 shares at par value of Baht 100 each and returned money the Company.

12. OTHER LONG - TERM INVESTMENT - NET

(Unit : Baht)

	Consolidated		Separate F/S	
	2009	2008	2009	2008
Other long - term investment	774,450	774,450	-	-
Less Allowance for impairment of investment	(774,450)	(774,450)	-	-
Net	-	-	-	-

The above investment is investment a foreign company which the Company did not contact for a while. The Company's management, therefore, set up allowance for impairment for such investment in full amount.

13. EQUIPMENT

(Unit : Baht)

	CONSOLIDATED			
	2008	Increase	Decrease	Transfer in (out) 2009
Cost				
Furniture, fixtures and Office equipment	21,917,804	326,633	-	22,244,437
Vehicles	9,524,602	-	-	9,524,602
Total	31,442,406	326,633	-	31,769,039
Accumulated depreciation				
Furniture, fixtures and Office equipment	(7,028,576)	(3,844,961)	-	(10,873,537)
Vehicles	(6,522,872)	(1,116,691)	-	(7,639,563)
Total	(13,551,448)	(4,961,652)	-	(18,513,100)
Allowance for impairment				
Furniture, fixtures and Office equipment	(5)	-	-	(5)
Total	(5)	-	-	(5)
Equipment – net	17,890,953			13,255,934
Depreciation for the year	5,130,689			4,961,652

As at 31 December 2009 and 2008, the acquisition cost of fully depreciated equipment remain in use amounted to Baht 9.98 million and Baht 2.43 million, respectively.

(Unit : Baht)

	SEPARATE F/S			
	2008	Increase	Decrease	Transfer in (out) 2009
Cost				
Furniture, fixtures and Office equipment	762,600	-	-	762,600
Total	762,600	-	-	762,600
Accumulated depreciation				
Furniture, fixtures and Office equipment	(762,595)	-	-	(762,595)
Total	(762,595)	-	-	(762,595)
Allowance for impairment				
Furniture, fixtures and Office equipment	(5)	-	-	(5)
Total	(5)	-	-	(5)
Equipment – net	-			-

As at 31 December 2009 and 2008, the acquisition cost of fully depreciated equipment remain in use amounted to Baht 0.76 million.

14. LEASEHOLD RIGHTS

(Unit : Baht)

	CONSOLIDATED		
	2008	Increase	Decrease
Leasehold rights	30,522,713	-	-
<u>Less</u> Accumulated amortization	(17,700,139)	(1,385,421)	-
Net	12,822,574		

(Unit : Baht)

	SEPARATE F/S		
	2008	Increase	Decrease
Leasehold rights	-	12,129,864	-
<u>Less</u> Accumulated amortization	-	(692,711)	-
Net	-		

15. NON OPERATING ASSETS - NET

Non operating assets - net are property, plant and equipment of video tape production segment, which has been discontinued since September 2002, and held for disposal.

(Unit : Baht)

	Consolidated		Separate F/S	
	2009	2008	2009	2008
Cost	75,841,400	75,841,400	75,841,400	75,841,400
<u>Less</u> Accumulated depreciation	(35,239,087)	(35,239,087)	(35,239,087)	(35,239,087)
Book value	40,602,313	40,602,313	40,602,313	40,602,313
<u>Less</u> Allowance for impairment of assets	(4,144,603)	(4,144,603)	(4,144,603)	(4,144,603)
Net	36,457,710	36,457,710	36,457,710	36,457,710

The allowance for impairment of assets was determined from assets which may be not able to use. However, during the year, the Company hired an independence appraiser to appraise the value of such assets. The Company's management determine that the amount of allowance for impairment of assets are appropriate presented.

16. ACCRUED ROYALTY FEES

Accrued royalty fees were outstanding balance of a subsidiary, which was sold in this period. Therefore, there was no outstanding balance in consolidated financial statements in this period.

17. PROVISION FOR EMPLOYEE BENEFITS

The reconciliation for the present value of the defined benefit plans is as follows :

	(Unit : Baht)	
	Consolidated	Separate F/S
Present value of the defined benefit plans as at 1 January 2009	7,327,777	755,625
Current service cost	742,228	48,505
Interest cost	329,750	34,003
Compensation	(542,060)	-
Loss (gain) from estimation follow actuarial	(175,513)	25,157
Present value of the defined benefit plans as at 31 December 2009	7,682,182	863,290

Expenses recorded in the statement of income for the years ended 31 December 2009 and 2008 are as follows :

	(Unit : Baht)			
	Consolidated		Separate F/S	
	2009	2008	2009	2008
Current service cost	742,228	-	48,505	-
Interest cost	329,750	-	34,003	-
Transitional liabilities recognized during the year	7,327,777	-	755,625	-
Loss (gain) from estimation follow actuarial	(717,573)	-	25,157	-
Expenses recorded in the statement of income	7,682,182	-	863,290	-

Major Actuarial Assumptions

The Group's financial assumptions	% per annum
Discount rate	4.5
Inflation rate	4.5

The Group's demographic assumptions

- Mortality assumption : The mortality rate is from Thailand Mortality Ordinary 1997 (TMO97) issued by the Office of the Insurance Commission. The TMO97 contains the results of the most recent mortality investigation of policyholders in life insurance companies in Thailand. It is reasonable to assume that these rates would be reflective of the mortality experience of the working population in Thailand.
- Turnover rate assumption : 0% per annum, to present the resign rate of attending employee, that exclude death, disabilities, that clause of leave from work and early retirement. Therefore, the estimate of employee benefits are base on these assumption.

18. COMMON STOCK

On 1 July 2008 and 1 August 2008, the Company invested in common shares of Day Poets Co., Ltd. with the rights over the heading columns of newspapers (Maya Channel, Tanhooon, and Today Express). Such deal was paid by the swap of the increment in the Company's share capital of Baht 30 million, from Baht 324 million (divided into 32,400,000 common shares at Baht 10 par value) to Baht 354 million (divided into 35,400,000 common shares at Baht 10 par value) to the former shareholder of Day Poets Co., Ltd. The Company had registered the change in common shares with Ministry of Commerce on 1 July 2008 and 1 August 2008, respectively.

At the Ordinary General Shareholders' meetings held on 29 April 2009, the shareholders passed a resolution to decrease the Company's authorized share capital from Baht 354 million to Baht 324 million, through the deduction of Baht 3 million common shares, par value of Baht 10 each. The Company registered the share decrement with the Ministry of Commerce on 24 July 2009.

19. INVESTMENT HELD-FOR-UNWIND TRANSACTION

On 1 July 2008, the Company invested in Day Poet Co., Ltd. with the right over the Heading Columns of newspapers, by swapping the Company's newly issued increased share capital of 3 million shares with total value of Baht 75 million (Par value of Baht 30 million, and share premium of Baht 45 million). Subsequently, the Company realized that assets and operations of such company did not meet its expectations. The Company's management and the former shareholder of Day Poet Co., Ltd. therefore, agreed to unwind the former agreement for sale and purchase of shares. The substance of this agreement is to unwind all previous sale and purchase agreement as if it has never occurred. The result of this unwind agreement was effective from 1 December 2008. The Company, therefore, has not included Day Poet Co., Ltd. in the consolidated financial statements since such date. The management believe that such investment held-for-unwind transaction will not cause any damage to the Company as the unwind agreement requires the Company to return common shares of Day Poet Co., Ltd. to its former shareholder and will receive its own common shares in return at the same number and amount at the date of execution. This will reduce the Company share capital by Baht 30 million and decrease the deficit by Baht 45 million. In addition four directors of the company representatives had resigned from director of Day Poet Co., Ltd. This had been registered with the Ministry of Commerce of 16 February 2009. At the Annual General Meeting of Shareholders no.16/2009, held on 29 April 2009, the shareholders passed a resolution for the selective capital share reduction which had been issued for swap with the said investment. The Company therefore, classified the said investment as "Investment held-for-unwind transaction" as a deduction under the shareholders' equity for the proper presentation of the financial position as at 31 December 2008.

On 24 July 2009, the Company registered the decrement in share capital with the Ministry of Commerce by decreasing 3 million shares at par value of Baht 10 each, totaling Baht 30 million. The Company therefore, recorded unwind transaction by decreasing the whole amount of investment held-for-unwind transaction. This reduced the Company's share capital by Baht 30 million and decrease the deficit by Baht 43 million and Baht 45 million for the consolidated and separate financial statements, respectively, for the year ended 31 December 2009.

20. OTHER INCOME

For the years ended 31 December 2009 and 2008, other income consists of :

	Consolidated		Separate F/S	
	2009	2008	2009	2008
Gain on sale of assets	-	2,126,508	-	445,325
Packaging income	-	2,000	-	33,681
Reversal of accrued employee compensation	-	6,160,493	-	1,094,310
Gain on relating to unwind transaction	4,854,503	-	4,854,503	-
Royalty income	2,602,562	-	-	-
Others	3,534,381	1,210,536	740,903	526,781
Total	10,991,446	9,499,537	5,595,406	2,100,097

During the year 2009, the Company wrote off accounts receivable and payable which occurred after investing in the Heading columns of newspapers and trade mark, and called for return money because of unwind process. This transaction generated gain of Baht 4.85 Million.

21. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2009 and 2008 are as follows :

	Consolidated		Separate F/S	
	2009	2008	2009	2008
Costs of television program producing	47,960,277	40,364,992	8,460,000	-
Management benefit expense	22,743,696	25,324,166	3,890,412	5,608,600
Salary and employee expenses	22,444,250	41,012,857	2,356,807	10,372,453
Rental and services expenses	5,122,605	4,912,893	329,140	-
Depreciation	4,961,652	5,130,689	-	1,292
Costs of sales	3,788,281	83,792,612	2,031,779	12,459,054
Amortization	1,385,421	1,385,422	692,711	-
Reversal of allowance for doubtful debt	(7,064,633)	(21,028,769)	(159,427)	(1,574,412)
Reversal of allowance for obsolete inventories	(2,164,232)	(39,717,104)	-	(257,657)
Loss from destruction of inventories	-	5,809,638	681,887	-
Loss (reversal of allowance) for impairment of investment in subsidiaries	(3,299,190)	-	22,415,748	-
Loss (reversal of allowance) for impairment of assets	1,661,744	(8,999,119)	1,661,477	(102,471)
Loss from temporary investments in marketable securities	-	23,829,460	-	23,829,460
Others	12,851,431	34,943,252	3,407,622	344,838
Total	110,391,302	196,760,989	45,768,156	50,681,157

22. FINANCIAL INSTRUMENTS

Currency Risk

The subsidiary has royalty payable to the foreign companies, transacted in foreign currencies. Accordingly, it may be affected by changes in exchange rate, of which mostly is based on the US Dollar currency for transaction deal.

Credit Risk

The Company and subsidiaries provide credit terms on many trade transactions for customers after confirming their credit worthiness. Collections of accounts receivable are closely monitored. The Company and subsidiaries focus on overdue accounts and will consider the provision for long overdue accounts receivable. At this time, the Company does not expect significant losses arising from the collection of trade account receivables.

Fair Value of Financial Instruments

The fair value of the financial instruments is the amount at which the instrument may be exchanged in a current transaction between the willing parties. The following methods and assumptions are used to estimate a fair value of each class of the Company's and subsidiaries' financial instruments as follow :

- Financial assets shown at estimated fair value.
- Financial liabilities are shown at the book values which approximate the fair value, as they will be matured in short term.

(Unit : Baht)

	Consolidated			
	31 December 2009			
	Floating interest rate	Fix interest rate	No interest rate	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalent	50,961	212,319,442	9,877,973	222,248,376
Temporary Investment - Financial Instruments	-	142,631,201	1,470,000	144,101,201
Temporary Investment - Related Company	-	-	42,558,000	42,558,000

(Unit : Baht)

	Separate F/S			
	31 December 2009			
	Floating interest rate	Fix interest rate	No interest rate	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalent	-	172,550,171	1,028,560	173,578,731
Temporary Investment - Financial Instruments	-	142,631,201	1,470,000	144,101,201
Temporary Investment - Related Company	-	-	42,558,000	42,558,000

(Unit : Baht)

	Consolidated					
	31 December 2009					
	At call	1 - 6 months	7 - 12 months	Over 1 year	Total	Interest rate
<u>Financial assets / liabilities</u>						
Cash and cash equivalent	19,928,934	202,319,442	-	-	222,248,376	0 - 1.6%
Temporary Investment – Financial Instruments	1,470,000	142,631,201	-	-	144,101,201	0 - 1.6%
Temporary Investment - Related Company	42,558,000	-	-	-	42,558,000	-

(Unit : Baht)

	Separate F/S					
	31 December 2009					
	At call	1 - 6 months	7 - 12 months	Over 1 year	Total	Interest rate
<u>Financial assets / liabilities</u>						
Cash and cash equivalent	1,028,560	172,550,171	-	-	173,578,731	0 - 1.6%
Temporary Investment - Financial Instruments	1,470,000	142,631,201	-	-	144,101,201	0 - 1.6%
Temporary Investment - Related Company	42,558,000	-	-	-	42,558,000	-

23. SEGMENT INFORMATION

For the financial information reporting purposes, the Group of Wave Entertainment Public Company Limited classify their business segments as follows :

Segment 1	Holding Company
Segment 2	Television program producing
Segment 3	Sales of rights on drama series in form of VCDs and DVDs
Segment 4	Sublease service
Segment 5	Publishing business (2008)

The results of operations for the year ended 31 December 2009 are as follow :

	(Unit : Thousand Baht)						
	Segment 1	Segment 2	Segment 3	Segment 4	Other	Elimina- Tion	Total
Revenues from the sale of goods							
- General customers	-	-	5,599	-	-	-	5,599
- Inter – segment	-	-	848	-	-	(848)	-
Revenues from the rendering of services	-						
- General customers	-	56,387	-	4,129	-	-	60,516
- Inter – segment	-	-	-	-	-	-	-
Total	-	56,387	6,447	4,129	-	(848)	66,115
Costs of sales and services	-	(47,959)	(5,438)	(2,084)	-	1,651	(53,830)
Gross income	-	8,428	1,009	2,045	-	803	12,285
Unallocated incomes							33,209
Unallocated expenses							(56,561)
Loss before interest expense							(11,067)
Interest expense							-
Net loss							(11,067)
Minority interests							-
Net loss attributable to the Company							(11,067)

The results of operations for the year ended 31 December 2008 are as follow :

	(Unit : Thousand Baht)						
	Existing operations					Discontinuing operations	
	Segment 1	Segment 2	Segment 3	Segment 4	Other	Segment 5	Elimina- Tion
Revenues from the sale of goods							Total
- General customers	129	-	17,359	573	-	52,839	-
- Inter – segment	147	-	-	1,268	-	-	(1,415)
Revenues from the rendering of services							
- General customers	-	50,429	2,250	-	25,518	1,887	-
- Inter – segment	-	-	-	-	1,218	-	(1,218)
Total	276	50,429	19,609	1,841	26,736	54,726	(2,633)
Costs of sales and services	(251)	(40,365)	(34,426)	(8,021)	(18,375)	(45,614)	2,207
Gross income (loss)	25	10,064	(14,817)	(6,180)	8,361	9,112	(426)
Unallocated incomes							23,800
Unallocated expenses							(51,916)
Loss before interest expense							(21,977)
Interest expense							(53)
Net Loss							(22,030)
Minority interests							(1,464)
Net Loss attributable to the Company							(23,494)

Other information as at 31 December 2009,

	Segment 1	Segment 2	Segment 3	Segment 4	Other	(Unit : Thousand Baht) Elimina- tion	Total
Segment assets							
(Consolidated total assets)	463,781	62,347	3,317	11,437	81,970	(89,547)	533,305

Other information as at 31 December 2008,

	Segment 1	Segment 2	Segment 3	Segment 4	Other	Segment 5	(Unit : Thousand Baht) Elimina- tion	Total
Segment assets								
(Consolidated total assets)	490,159	20,583	121,828	98,182	6,909	5,222	(217,450)	525,433

24. OBLIGATIONS AND CONTINGENT LIABILITIES

24.1 As at 31 December 2009 and 2008, the Company and its subsidiaries had obligations and contingent liabilities as follows :

The Company

31 December 2009				
Credit Line (Million Baht)	Utilized (Million Baht)	Remaining (Million Baht)		Collateral
Overdraft	10.00	-	10.00	The amount is guaranteed by subsidiary.
Credit Line (USD Million)	Utilized (USD Million)	Remaining (USD Million)		Collateral
Forward foreign exchange contracts	1.00	-	1.00	The amount is guaranteed by subsidiary.
31 December 2008				
Credit Line (Million Baht)	Utilized (Million Baht)	Remaining (Million Baht)		Collateral
Overdraft	20.00	-	20.00	The amount is guaranteed by subsidiary.
Letter of guarantee	4.00	0.02	3.98	The amount is guaranteed by subsidiary.

Subsidiary

	31 December 2009			Collateral
	Credit Line (Million Baht)	Utilized (Million Baht)	Remaining (Million Baht)	
Overdraft	55.00	-	55.00	The amount is guaranteed by the Company.
	Credit Line (USD Million)	Utilized (USD Million)	Remaining (USD Million)	Collateral
Forward foreign exchange contracts	0.70	-	0.70	The amount is guaranteed by the Company.
	31 December 2009			Collateral
	Credit Line (Million Baht)	Utilized (Million Baht)	Remaining (Million Baht)	
Overdraft	65.00	-	65.00	The amount is guaranteed by the Company.
	Credit Line (USD Million)	Utilized (USD Million)	Remaining (USD Million)	Collateral
Forward foreign exchange contracts	3.70	-	3.70	The amount is guaranteed by the Company.

Most of forward foreign exchange contracts have maturities of less than one year.

24.2 Legal obligations and contingent liabilities from legal dispute

- 24.2.1 As at 31 December 2009 and 2008, a subsidiary had pending litigation with a former executive for the cancellation of remunerations, termination of employment without compensation and advance notice, no compensation for such advance notice and no compensation for annual leaves. The Labour Court officer had ordered the subsidiary to pay compensation amounting to Baht 9.40 million. The subsidiary has filed the appeal to the Central Labor Court and the Preliminary Court had passed such case. Later, the subsidiary has filed the appeal to the Court. The case is under the Court's consideration. However, this compensation of amount Baht 9.40 million had been recorded as expense during year 2007. The Company had already deposited such amount in the escrow account with the Court.

24.2.2 As at 31 December 2009 and 2008, such subsidiary had additional litigation with the former executive. Such executive had filed the case to the Central Labor Court claiming for the interest and surcharge on unpaid remunerations, compensation and termination compensation for advance notice, and compensation for annual leaves for the principal of Baht 9.40 million. He also claimed for Baht 13.75 million for unfair termination of employment and Baht 3.63 million for the cumulative benefits. The case has been dismissed by the Central Labor Court on 25 July 2008. Such former executive had appealed to dispute the verdict to the Supreme Court, but did not appeal on the cumulative benefits. At the present this case is under the process of Supreme Court.

24.2.3 As at 31 December 2009 and 2008, the Company itself also had pending litigation with such former executive whereby such former executive lodged claim to the Company for Baht 10.02 million for litigation against him by a third party for the duty undertaken on behalf of the Company. The case has been dismissed by the Central Labor Court on 1 September 2008. Such former executive had filed an appeal against the verdict of the Appeal Court. At present this case is still under the process of the Court.

25. OPERATING LEASE COMMITMENTS

25.1 The Company has entered into lease agreements to lease out spaces in department stores under its leasehold right to other companies. As of 31 December, total future minimum lease rental receivable under the agreements are as follows :

(Unit : Baht)		
Type of lease	Remaining Period	Rental income
2009		
Sublease of spaces	Within 1 year	5,219,469
	Between 2 and 5 years	8,388,338
2008		
Sublease of spaces	Within 1 year	3,015,251
	Between 2 and 5 years	3,846,729

- 25.2 The Company has long-term lease agreements with other companies to lease spaces in department stores. As of 31 December, total future minimum lease payments according to the agreements are as follows :

(Unit : Baht)		
Type of lease	Remaining Period	Rental income
2009		
Spaces in department stores	Within 1 year	225,127
	Between 2 and 5 years	994,878
	Later than 5 years	1,164,865
2008		
Spaces in department stores	Within 1 year	214,407
	Between 2 and 5 years	970,326
	Later than 5 years	1,414,543

26. RECLASSIFICATION

Certain accounts in the financial statements for the year ended 31 December 2008 were reclassified to conform with interim financial statement for the year ended 31 December 2009 presentation.

27. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the board of directors on 12 February 2010.





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