



WAVE ENTERTAINMENT

WAVE Entertainment Public Company Limited

Annual Report 2014

Investor can access more information on the Company through the annual information memorandum 56-1 form report posted on www.sec.or.th or www.wave-groups.com



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Report of The Chairman

Matthew Kichodhan

Chairman & CEO



In 2014, we defined our Vision as becoming a leading "Lifestyle and Entertainment" Company providing our consumers with unique quality products, services, programs and entertainment to further enrich their lives. We further narrowed our interests in the Lifestyle sector to Food, Retail and Education where we see the opportunity to tap into these growing sectors amongst teens and young adults as Thailand's middle class develops and the opportunities that AEC presents. Additionally, in our existing businesses of Entertainment, we continue to grow our businesses in TV production, Events & Concert Organizing, and explore opportunities in New Media. We believe that Wave's transformation into a Lifestyle & Entertainment Company offers a unique combination that will enable Wave to leverage its Entertainment and Media business to support and grow its new Lifestyle businesses.

The transformation began in May with the acquisition of Wall Street English (WSE) franchise in Thailand in the Education Sector, firmly placing Wave as a leading premium provider of English education. WSE's parent company is Pearson PLC, one of the world's largest educational companies with great brands such as Penguin Books, Financial Times, and The Economist magazine, which will support Wave's position in Thailand as the leader in English education. WSE contributed Baht 462 million to Wave Group's Consolidated Sales through 9 retail centres and 5 corporate centres in 2014. With the onset of AEC and Thais being less proficient in English relative to other ASEAN countries, the opportunities for growth through the expansion of retail and corporate centres are immense.

In December 2014, the second acquisition was in the Food Sector through Jeffer Restaurants Co. Ltd enabling Wave to establish a scale food business through Jeffer's 76 restaurants nationwide. Jeffer offers organic and regional growth opportunities for Wave to expand Jeffer's unique Value position in the Western Dine-In segment targeting teens and young adults and families as well as its infrastructure and network to leverage further new food concepts as we look to expand the Foods business. Its sales contribution in the month of December of Baht 57 million contributed to Wave's overall Consolidated Sales.

Our investment in Thai Solar Energy Public Company (TSE) continues to add value with the tremendously successful listing of TSE in the MAI market in Thailand. Our holding of TSE post the listing stands at 20%. The market capital of TSE as of December 31st was Baht 14.2 Billion.

In the year ended December 31st, 2014, total Consolidated Revenues for Wave grew +123% to Baht 634.26 million with a Net Profit After Tax of Baht 76.06 million. Total consolidated Assets stand at Baht 2,495.21 million, an increase of 372%, with total liabilities at Baht 1,956.73 million, mainly from Long Term Debt to finance the new business acquisitions. Total Shareholder's equity stood at Baht 538.47 million, an increase of 16% or Baht 76.06 million. Our share price in 2014, increased from Baht 37.75 per share in the beginning of the year to Baht 79.50 per share in December, an increase of 110% for the year.

The Company continues to ensure emphasis on Good Corporate Governance receiving a rating of "Good" in the Corporate Governance Report of Thai Listed Companies in 2014 from the Thai Institute of Directors (IOD), supported by the Securities and Exchange Commission and the Stock Exchange of Thailand as well as a "Very Good" rating from the Thai Investors Association in their assessment of our Annual General Meeting in 2014. We will strive to continue to improve our standing and rating in Good Corporate Governance in the upcoming year.

In the year ahead, we will continue to transform Wave into a leading Lifestyle and Entertainment Company with further opportunities to expand organically and through further acquisitions to realize the opportunities and growth in Thailand and AEC Region. On behalf of the Board of Directors, I would like to send my sincere appreciation to our shareholders, investors, customers, strategic partners, government agencies, and our employees for their continual support and confidence in the Company.

Regards,



Matthew Kichodhan
Chairman & CEO

Audit Committee Report

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. Tipawan Wuttisarn as Chairman of the Audit Committee, M.L. Nalinee Hasadintra and Mr. Somsak Phayapdechachai, as Audit Committee Member.

During the year 2014, the Audit Committee had the meeting totally 5 times. There were four meetings with the Internal Audit Office, the Management and the External Auditors to review the audit plan and audit scope, and discuss the results of the audit work, reviewed compliance with laws pertaining to securities and the stock exchange of Thailand and related laws. One of these meetings with the External Auditors without the Management to acknowledge independent opinion of external auditor.

The Audit Committee independently worked and expressed their opinions in accordance with the roles and responsibilities assigned by the Board of Directors. They oversaw the operation according to the principles, the standards and the regulations which relevant to the company's business. Major activities of the Audit Committee in the year 2014 were as follows :

1. Review accurate and adequate financial reports :

- Reviewed the interim and 2014 annual financial statements with the External Auditors of the company and its subsidiaries, and the Management by questioning, discussing and advising on certain issues and matters relating to the company and its subsidiaries' financial reports and submitted them to the Board of Directors for approval before disclosure to the SET and SEC.
- Acknowledged the Management analysis report pertaining to key financial data quarterly.

The Audit Committee is of the opinion that the financial statements of the company and its subsidiaries for the year 2014 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, risk management and internal audit systems :

- Consider qualifications, experience, training of the chief Internal Audit Office adequate to perform such functions.
- Reviewed the independence of Internal Audit Office.
- Approved internal audit plans, acknowledged internal audit reports and evaluated the Internal Audit Office performance .In addition, the Audit Committee has also continually sought to provide recommendations on audit quality improvement and emphasized the monitoring process to ensure that the management's corrective action was implemented.
- Reviewed the adequacy of the internal control system for the year 2014 in compliance with the self – evaluation forms issued by the SEC.

The Audit Committee found the company and its subsidiaries to have appropriate internal control, risk management and internal 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 Company's good corporate governance and Code of Ethics Policies :

- Meeting with the Management and the Internal Audit Office to review the company operations in order to ensure that the company operated its business in compliance with related laws and regulations, the Company's good corporate governance and Code of Ethics Policies.
- Monitored progress in litigation involving the Company.
- Acknowledged reports from the External Auditors that there are no issues to be presented to the Audit Committee according to section 89/25 of the Securities and Exchange Act (NO. 4) B.E. 2551

The Audit Committee found the company to comply with relevant laws and regulations, the Company's good corporate governance and Code of Ethics Policies.

4. Consider, select, recommend fees and nominate the company's auditors:

The Audit Committee recommended to the company's Board of Directors to propose at the Annual General Meeting of shareholders for the appointment of Mr. Kajornkiet Aroonpirodkul and/or Mrs. Nattaporn Phan-Udo and/or Mr. Pisit Thangtanagul, auditors from PricewaterhouseCoopers ABAS Co., Ltd. as the company and its subsidiaries' auditors for fiscal year 2015, together with their fees.

The Audit Committee is of the opinion that the External Auditors of the company are independent auditors with their professional practices, relevant experience and qualifications set forth by the SEC and they are no other services performed by PwC.

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

- The Audit Committee acknowledged reports from the Management to ensure compliance of related parties and conflict of interest transactions as requested by SEC.

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

6. Others :

- Reviewed the information disclosed to the SET and SEC, as disclosed in the company's annual report year 2014 (Form 56-2) and in the annual information disclosure form as at December 31, 2014 (Form 56-1).
- Reported the Audit Committee's activities to the Board of Directors periodically.
- Conducted the Audit Committee self-assessment on its composition, qualification, activities in compliance to the audit Committee Charter. The 2014 results indicated that performance was "good".
- Record of attendance of the Audit Committee members is summarized as follows :

List of Audit Committee	Number of attendance / Total Meeting (times)
1. Mrs.Tipawan Wuttisarn	5/5
2. M.L.Nalinee Hasadintra	5/5
3. Mr.Somsak Phayapdacharchai	5/5

On behalf of the Audit Committee



(Mrs. Tipawan Wuttisarn)

Chairman of the Audit Committee

25 February 2015

Board of Directors
Mr. Matthew Kichodhan

- Chairman,
- Chief Executive Officer,
- Chairman of Investment Committee and
- Authorized Director


Dr. Cathleen Maleenont

- Director,
- Chairman of Risk Management Committee and
- Authorized Director


Mr. Chansak Fuangfu

- Independent Director


Mrs. Tipawan Wuttisarn

- Independent Director and
- Chairman of Audit Committee


M.L. Nalinee Hastintra

- Independent Director,
- Member of Audit Committee and
- Member of the Nomination and Remuneration Committee


Mr. Somsak Phayapdacharchai

- Independent Director and
- Member of Audit Committee


Ms. Manida Zimmerman

- Director and
- Chairman of the Nomination and Remuneration Committee


Ms. Tracy Ann Maleenont

- Director


Mr. Philipp Oliver Piaz

- Independent Director and
- Member of Risk Management Committee


Ms. Piyawadee Maleenont

- Director,
- Member of Risk Management Committee,
- Member of Investment Committee and
- Authorized Director

Mr. Tee Seeumpornroj

- Director,
- Member of the Nomination and Remuneration Committee,
- Member of Risk Management Committee,
- Member of Investment Committee and
- Authorized Director



1. Policy and Nature of Business

Wave Entertainment Public Company Limited (“**WAVE**” or the “**Company**”) was incorporated on 2 September 1993 with the current registered and paid-up capital of Baht 324,000,000 (Three-hundred twenty four million Baht). WAVE’s company name had been changed from its former name “CVD Entertainment Public Company Limited” to its current name since 30 April 2009. The initial objective of WAVE was to manufacture blank video tape cassettes (V-O) and video tape cassettes with magnetic tapes (V-cassettes). At present, WAVE Group conducts the following businesses:

1. Television programs producer and distributor



2. Concert and events organizing services



3. Copyright owner and distributor Thai dramas of Channel 3



4. English language school business under the trade name of “Wall Street English” (“WSE”)



5. Restaurant business under the trade name of “Jeffer Steak”



6. Sub-leasing service of areas in Central Plaza Pinklao and Central Plaza Ratchada-Rama III in accordance with the lease terms granted to the Company



1.1 Vision, Mission and Objectives

Vision

The Company's vision is to be a leading Lifestyle & Entertainment provider through the development and delivery of unique and quality products with variety and entertainment to create and fulfil the lifestyle of all customers.

Mission

To achieve the Company's goal and objectives in managing the businesses, our mission are as follows:

- Develop products, services, and entertainment which fulfil the ever-changing needs of customers
- Emphasize on human resources development to create people with knowledge, skills and potential suitable in providing excellent services and developing better quality products
- Operate the businesses in accordance with the principles of good corporate governance
- Commit to social responsibility through supports for Thai people in having a better life

Core Values

The core values, which drive the Company in achieving its mission, goals and objectives, include:

- Wow : Always support, motivate and create impression to staff, consumers, and customers
- Achieve : Conduct businesses to achieve the Company's goals and objectives with business integrity and ethics
- Value : Innovative team to create value products to our customers
- Enlighten : Continue to develop knowledge and capabilities of our people

The Company's plan or strategy to attain such goals and objectives include creating products with quality, uniqueness, and variety to reach the target group, having innovative and flexible marketing strategy, having efficient teamwork and staff, and conducting businesses in accordance with the principles of good corporate governance.

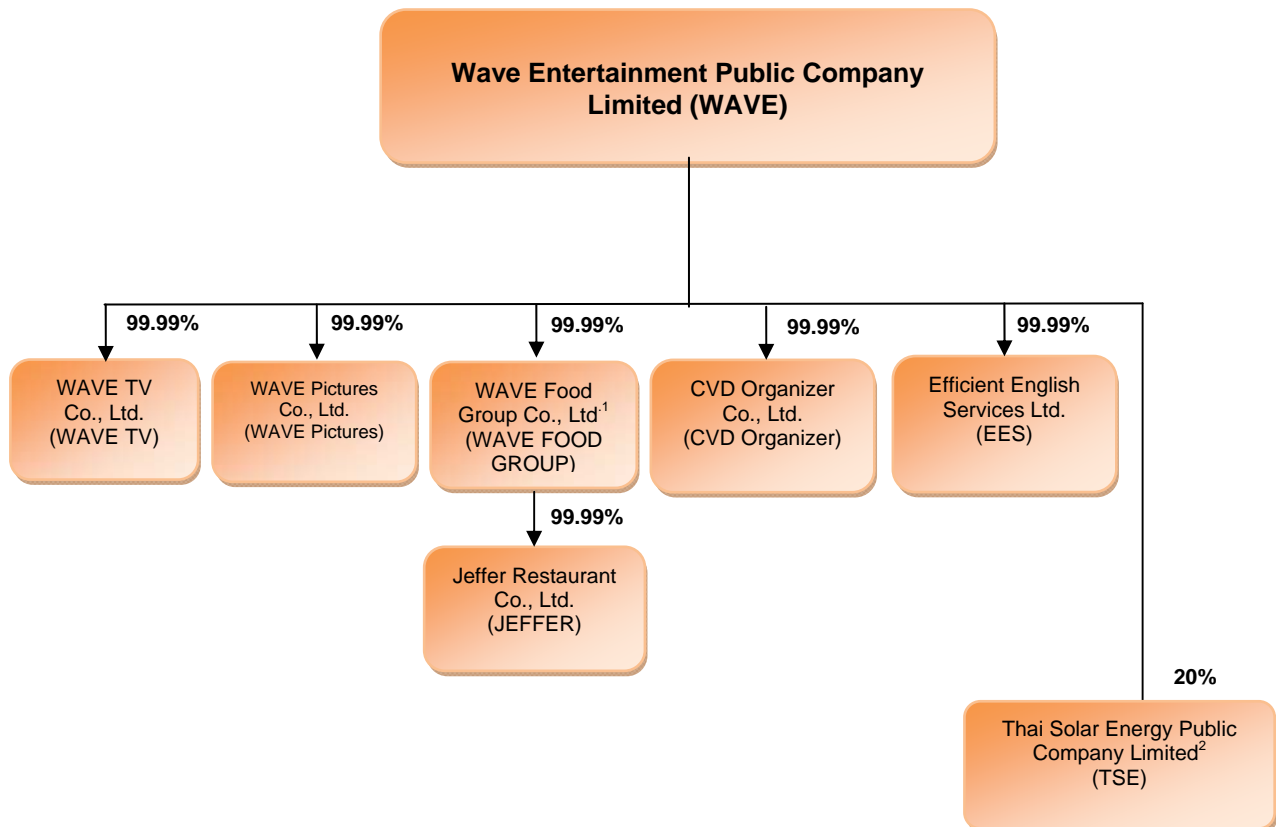
1.2 Key milestones and development of the Company

Year	Key Milestones and Development
2002	<ul style="list-style-type: none"> The Company ceased the manufacturing of video tape cassettes.
2007	<ul style="list-style-type: none"> The Company terminated the procurement and distribution of copyright movies.
2010	<ul style="list-style-type: none"> The Company expanded its entertainment business by being a television programs producer and distributor.
2011	<ul style="list-style-type: none"> The Extraordinary General Meeting of Shareholders No. 1/2011 approved the Company to additionally invest in Thai Solar Energy Co., Ltd ("TSE"), doing business on electricity producing from solar energy for sale to public and private sectors, from 10% to not exceeding 35% of the registered capital of TSE. TSE's shareholders' meeting approved the Company to invest in TSE at 25% of the registered capital of TSE. The Company made an additional payment for newly issued shares in TSE in an amount of Baht 117.5 million, the total investment was Baht 149.5 million of which is deemed as investment in TSE at 10.9% of the registered and paid-up of TSE.
2012	<ul style="list-style-type: none"> The Company expanded its entertainment business by being an organizer of concerts and other events.
2013	<ul style="list-style-type: none"> The Company expanded its entertainment business by being a movie producer and distributor. On 10 September 2013, Mr. Pracha Maleenont resigned from the position of director and management of the Company and Mr. Matthew Kichodhan was appointed as replacement on 7 October 2013. The Company made an additional payment for newly issued shares in TSE in an amount of Baht 104.7 million, the total investment was Baht 341.2 million of which is deemed as investment in TSE at 25% of the registered and paid-up capital of TSE.
2014	<ul style="list-style-type: none"> On 30 April 2014, the Company expanded its business to lifestyle business, i.e. an English language school under the name of "Wall Street English", by acquiring all shares in Efficient English Services Ltd. ("EES") in accordance with the resolution of the Annual General Meeting of Shareholders No. 21/2014 held on 25 April 2014. The Company purchased 22 million shares in TSE, which were offered through initial public offering (IPO) at Baht 3.90 per share, the total investment was Baht 85.80 million of which is deemed as investment in TSE at 20% of the registered and paid-up capital of TSE. On 4 December 2014, the Company expanded its lifestyle business by acquiring restaurant business under the name of "Jeffer Steak" through WAVE Food Group Co., Ltd., the Company's subsidiary, of all shares in Jeffer Restaurant Co., Ltd. in accordance with the resolution of the Board of Directors' Meeting No. 7/2014 held on 11 November 2014.

1.3 Overview of businesses of the Company and its subsidiaries

The Company's policy is to operate its businesses in the form of business units. Set out below is the Company's group structure representing its shareholding in subsidiaries and associated company.

Group Structure of the Company



Remarks:

¹ Former name is WAVE TV and Movie Studios Co., Ltd.

² P.M. Energy Co., Ltd. holds 42.80% and minor shareholders holds 37.20%

Nature of business of each company within WAVE Group

Wave Entertainment Public Company Limited (WAVE)

At present, WAVE conducts the following businesses:

1. Copyright owner and distributor Thai dramas of Channel 3
2. Organizer of concerts and other events
3. Sub-leasing service of areas in Central Plaza Pinklao and Central Plaza Ratchada-Rama III in accordance with the lease terms granted to WAVE

Subsidiaries with Wave and its subsidiaries at least 10% and above held by the Company and its subsidiary

1) WAVE TV Co., Ltd. (WAVE TV)

Nature of business of WAVE TV is as follows:

1. Television programs producer and distributor
2. Seller of TV commercial air time

2) WAVE Pictures Co., Ltd. (WAVE Pictures)

Nature of business of WAVE Pictures is as follows:

1. Movies producer and distributor

3) WAVE Food Group Co., Ltd.

Name change from WAVE TV and Movie Studios Co., Ltd. on 6 November 2014

Nature of business of WAVE FOOD GROUP is as follows:

1. Service of studio rental for production of TV programs, news programs and movies
2. TV programs and movies producer and distributor

4) CVD Organizer Co., Ltd. (CVD Organizer)

Temporary suspension of business

5) Efficient English Services Ltd. (EES)

Nature of business of EES is as follows:

1. Private English language school

6) Jeffer Restaurant Co., Ltd. (JEFFER)

Subsidiary of WAVE Food Group Co., Ltd.

Nature of business of JEFFER is as follows:

1. Purchase and procurement of raw materials and equipment for conducting food and beverages business
2. Restaurant business including sale of food and beverages

Associated Company

1) Thai Solar Energy Public Company Limited (TSE)

Nature of business of TSE is to produce electricity from solar energy for sale to public and private sectors.

2. Nature of Business

Revenues Structure of WAVE Group for the past 3 years

(Unit : Million Baht)

Products / Services	Operated by	% Shareholding by WAVE or its subsidiary	2012 Revenues	%	2013 Revenues	%	2014 Revenues	%
Total revenues								
1. English language school ¹	EES	99.99	-	-	-	-	464	70
2. Television programs producer and distributor	WAVE, WAVE FOOD GROUP, WAVE Pictures, WAVE TV	99.99	103	57	179	62	65	10
3. Restaurant ²	JEFFER	99.99	-	-	-	-	57	9
4. Concert organizing services, music business and artist management	WAVE		35	19	57	20	42	6
5. Movies producer and distributor	WAVE Pictures	99.99	-	-	40	14	-	-
6. Other income	All Companies		43	24	13	4	38	6
Total revenues			181	100	289	100	666	100
Growth rates				(6%)		60%		130%

Remarks:

¹ The Company started earning revenues from Wall Street English from 30 April 2014 onwards.

² The Company started earning revenues from "Jeffer Steak" restaurant from 4 December 2014 onwards.

Nature of Business

2.1 Television programs production and distribution business

Operated by WAVE TV Co., Ltd. (“WAVE TV”)

2.1.1 Television program production and distribution business

Nature of products or services

Production and sales of TV programs and adverts in designated airtime. Revenues are generated from sales of commercials time, promotion of goods and services in TV shows. At present, there is one show being broadcasted on television.



Program name:	“Jud Nat Phop”
Air date	Every Saturday
Air time	11.30 p.m. to 12.15 a.m.
Television Channel	Channel 3
Original air date	Mid of March 2012
Target audience	Suitable for all
<u>Program description:</u>	
Jud Nat Phop is a story about a strange mission involving karma and the meeting between human and ghost.	

Market and competition

● **Competitive strategy**

WAVE TV’s objective is to conduct entertainment business by producing quality programs to television channels. As the target customer is audience, WAVE TV must compete on quality with other television programs aired on other channels during the same air time.

Since revenues are generated from sales of commercials time, WAVE TV must compete with existing and new competitors to acquire market share in the same air time. WAVE TV’s strategy is to determine a target group of customers, control quality of and create variety in its programs. WAVE TV also puts emphasis on selecting producer who is suitable for the program type or the subject as each producer specializes in different areas. In addition, WAVE TV always sets policies for creating and producing its television programs and focuses on continuous development of its existing programs, in respect of format, content and entertainment, in order to maintain popularity of its programs with the public.

Policy and pricing

WAVE TV's policy is to set the pricing for advertisement and promotion which is fair and value-for-money in order to maintain long-term relationship with the customers. The pricing of each program will be determined based on its popularity, channel, and airtime and the pricing must be competitive within the industry. The distribution strategy by selling in packages also helps create flexible pricing and accommodate requirements of customers - customers can choose to advertise and promote their products or services with WAVE TV in various formats and programs. The customers may choose to advertise and promote their products or services through sponsorship in either a single show or multiple shows.

● **Characteristics of target customers**

There are two types of customers who purchase commercial airtime and promote their products or services with WAVE TV.

1. Advertising agency – service based companies which plan advertisements and allocate commercial airtime for their customers who are owners of products or services. Such type of customers purchase commercial airtime and promote products or services with WAVE TV in package by choosing to advertise and promote in various formats and programs. Advertising agency purchase the package in advance for certain period of time including 1 month, 3 month, 6 month and 1 year to allocate the services in accordance with advertisement plans designated to their customers. Customers of advertising agency are those entities who hire advertising agency to plan their advertisements, including corporates, government agencies, and state enterprises, with a concrete marketing plan, marketing budget, and constant demand for advertising.
2. Direct customer – include corporates who plan their own advertisements and public relations, and therefore directly purchase commercial airtime from WAVE TV. This type of customers makes up a smaller number than the end customers who purchase the services through advertising agency and has lower advertising budget.

The substantial portion of WAVE TV's customers are advertising agency and the customers are from various industries. In addition, none of the customers purchases commercial airtime from WAVE TV, which accounts for more than 30% of the total revenues, within the past three years.

Target Audience

WAVE TV intends to produce educational and entertaining programs which are suitable for audience of all types and occupations. The target audience of each program depends on the program type.

Program Name	Program Name
"Jud Nat Phop"	Suitable for all

● **Sales and distribution channels**

WAVE TV employs sales and marketing staffs on sales of commercials and services whereby the staffs approach prospects directly with proposals on format and packages that is suitable to each customer's need. Product variation includes adverts in minutes, sponsorship to programs and shows to promote customers' products and services, single or multiple-show package sales. Types of sales are as follows:

1. Air time purchase is a time-sharing agreement with the television channel whereby the ratio of advertising to show time minutes is regulated by the Department of Public Relations. There can be a maximum of 10 to 12 minutes of commercials in each broadcasted hour according to present regulation.
2. In-program promotion of goods and services. Examples are promotion on prize board in game shows, signage on host and celebrity podiums and surrounding sets, etc. Programs that generate these types of revenues are game shows whereby sponsorship contracts are made in monthly or annually basis. This type of revenues is realized to the Company in full with no sharing to the television station.

- **Competition**

During the past year, Thailand faced economic slowdown which caused direct impact on advertising industry. However, according to statistics, television accounted for the largest market share in the industry as it reached substantial number of consumers through broadcasting of pictures and sounds concurrently.

In respect of competition, there is a higher level of competition in the production of television drama series due to the increase in number of producers and shows. Due to constant changes to consumers' tastes and the increased competitiveness among television channels, producers are required to continuously improve or adjust their shows. Each television channel has adjusted its program format and introduced new shows to increase popularity among its audience.

- **Procurement of products or services**

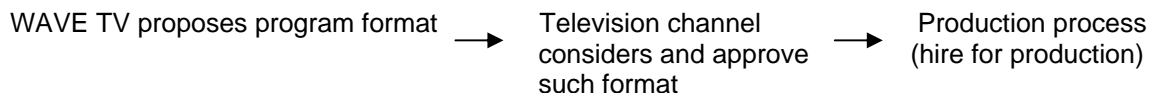
WAVE TV produces its own television programs and therefore it is the copyright owner of such programs. In addition, WAVE TV also manages the sales of air time by itself and the ratio of advertising to show time minutes is in accordance with a time-sharing agreement with the television channel.

The major costs of production of television programs include production wages and expenses, reward, script fees, and fees for television presenters. Set out below is WAVE TV's procurement process.

- 1) Search for television channel and air time

Method of procurement for television channel and air time

WAVE TV will submit program format to the television channel for consideration and approval. The approval process is as follows:



Proposal submission to television channel

The contractor through a team of creative will brainstorm ideas to create concept and format of the program, including proposal format whereby the team may consult with television channel or customers of advertisements during such process to obtain guidelines for production. Thereafter, the television channel and the air time suitable for the program will be selected and a proposal shall be prepared for submission to television channel.

Program approval by television channel

Criteria for approval of television program of each channel are different, however the main considerations are program format and the ability to pay for air time. In respect of program format, the television channel will consider the suitability of program type with the air time and experience of the producer. For those programs which were previously aired, the major considerations by television channel will be popularity and how well the media and the public respond to the program.

Agreement with television channel

Television channel will determine the conditions of airtime of which the current condition agreed with WAVE TV is in the form of time sharing. For time sharing, WAVE TV does not have to pay television channel for lease of air time and therefore there is no costs for such lease. However, WAVE TV shall allocate to the television channel a portion of commercial air time, as agreed with the television channel, for sales to customers by the channel itself. In such case, advertisement fees and discount to customers will be jointly determined by WAVE TV and the television channel.

- 2) Production process of television programs (This process will not be required in case WAVE TV hires other independent producer to produce the program)

The existing show which is produced by WAVE TV is a sitcom called “Jud Nat Phop”.

2.1)Pre-production process

2.2)Production process

2.3)Post- production process

2.1)Pre-production process

The production process starts from the production department creates a plan for producing each episode to be aired by holding a meeting which gives team members the opportunity to present and gather ideas for program concept, select informative and entertaining content to be used in scripts, prepare action plan, including shooting dates and appointment of actors and/or actresses, for submission to production team, and assign works to other departments for necessary preparation before shooting.

In addition to production of each episode, production team of each show must prepare both short-term and long-term plans to determine format or direction of the show to maintain popularity and present new ideas which are in line with the audience preferences. This process involves actions such as conducting research on development of the show and auditioning for actors/actresses.

2.2)Production process

The shooting of a television show is undertaken approximately 2 – 4 weeks in advance to provide time to production team and control quality of the show prior to being broadcasted. Following the completion of pre-production process, the production team shall make appointments for shooting at various locations as designated in the production plan and mostly those locations are outside the studio

2.3)Post- production process

The post-production processes include video editing, scene selection, sound design or adding special effects for which a team at WAVE TV shall examine quality and suitability of the program within approximately 2-3 days before broadcasting and submission of the tape to the television channel. Therefore, in case the television channel views that the program's content is not suitable for broadcasting, the channel will return the tape to WAVE TV and WAVE TV can edit it in time. Nevertheless, WAVE TV has never encountered the issue of unsuitability of its programs as it does not have policy to produce prohibited programs and, after the completion of the whole production process, WAVE TV will send the complete tape to television channels for broadcasting.

2.1.2 Television drama series production business

WAVE TV does not produce any television drama series which is broadcasted in 2014. However, WAVE TV is currently in the process of producing the following television drama series, which is expected to be broadcasted in February 2015.



Program name:	"Kaew Ta Warn Jai"
Air date	Every Friday to Sunday
Air time	8.15 p.m. – 10.30 p.m.
Television Channel	Channel 3
Original air date	February 2015
Target audience	Suitable for all
Program description: Kaew Ta Warn Jai is a story about a girl, the beloved one of Uncle Chang and Kai Wan, being taken away which begins the story about love and having each other.	

Market and competition

- Competitive strategy**

WAVE TV's objective is to conduct entertainment business by producing quality television drama series to television channels. However, as the target customer is audience, WAVE TV must compete on quality with other television programs producers.

- Target audience**

WAVE TV intends to produce television drama series which are educational and entertaining and suitable for all audience. The target audience of a show depends on characteristics of the show.

Program Name	Program Name
"Kaew Ta Warn Jai"	Suitable for all

- Sales and distribution channels**

For production of television drama series business, the format of drama series must be presented for approval by the television channels and, upon approval from the television channels, a hire of work contract shall be executed between the channel and WAVE TV for each series under which the tape must be submitted by WAVE TV to the television channel for broadcasting after completion of the production process.

- Competition**

During the past year, Thailand faced economic slowdown which caused direct impact on advertising industry. However, according to statistics, television accounted for the largest market share in the industry as it reached substantial number of consumers through broadcasting of pictures and sounds concurrently.

In respect of competition, there is a higher level of competition in the production of television drama series due to the increase in number of producers and shows. Due to constant changes to consumers' tastes, television operators are required to continuously improve their quality and make necessary adjustment to increase their competitiveness among television channels. In the past, each television channel has adjusted its program format and introduced new shows to increase popularity among its audience.

- **Procurement of products or services**

Production of television drama series business is carried out by WAVE TV. WAVE TV's policy is to produce quality television drama series. The genre of each television series depend on the market environment, script and consideration of the television channel as employer. A series production contract will be drawn for each show and the tape must be submitted by WAVE TV to the television channel for broadcasting after completion of the production process.

The production process of television drama series is similar to television show of which can be summarized as follows:

1. Pre-production process
2. Production process
3. Post- production process

In 2014, WAVE TV produced one television drama series namely "Kaew Ta Warn Jai" which is expected to be broadcasted in February 2015.



2.2 Concert and event organizing business

Operated by WAVE (i-WAVE as business unit)



Nature of business

Concert and event organizer

This business includes being organizer for special events, public relations, live music shows, and concerts. The service process starts with planning and aligning ideas with target group, recruitment and selection of Thai or foreign artists, content selection for the show, and preparation of event, public relations, rehearsal, design and decoration of venue, and distribution of tickets.

As a result of economic and political instability, which has a directly impact on the Company, it organized only two concerts during the second half of the year which are The Palace and Friends concert and Retro Music Festival Yesterday Once More.

Market and competition

The Company's objective is to conduct entertainment business by providing entertainment to the consumers. During the past year, there is a high level of competition in respect of concert organizer, recruitment of artists, networking with artists and reservation of venue, which are critical parts to concerts and such increased competition has a direct impact on production costs and general and administrative expenses.

However, the Company realizes such competitive environment and therefore sets its goal to increase the market share in such business by organizing more quality concerts for the target customers.

• Target customers

The Company's focus is on organizing concerts and events. Its main target customers can be categorized into the following groups:

- (1) sponsors and
- (2) audience

Program	Target customers
Organizer of concerts and events	<ul style="list-style-type: none"> Sponsors, such as companies, shops, and governmental agencies Suitable for all or men and women of working age from 20 years old and above

Policy and market characteristics

● Competitive strategy

- Production of quality shows with variety and suitable for all audience

The Company focuses on producing quality concerts suitable for all audience or men and women of working age of 20 years old and above with purchasing power. With quality team and artists, the Company's shows have been well received and are highly demanded by consumers.

- Production of unique and quality shows

As the current market situation is highly competitive, customers' main criteria in purchasing advertisement is having popular and quality artist. The Company realizes this factor and emphasizes quality by providing entertaining shows with quality, value-for-money, and impressive for all audience.

- Efficient teamwork and personnel

Team, personnel, and production team of the Company are professionals with long-term experience in the industry. The shows produced by the team is of quality and with good image. The efficient team and personnel is a critical factor in producing quality works and building success that had earned trust and confidence from followers of the Company's works.

- Creative and flexible marketing policy

Price policy

The pricing strategy is by offering customers with value-for-money packages, which are in line with the customers' budget. In addition, discount is offered to customers who sign up for long-term contracts, which assists customers in managing their budget over a long period.

- Partnership

The business unit provides an opportunity for partners to co-organize events, including participating in management of revenues arising from the events. The partnership also gives the business unit the opportunity to utilize unique characteristics of the partners' brands.

● Industry outlook and competition

There is an increasing competition in the business. Therefore, companies with efficiency in producing quality and creative works and flexibility in adjusting their strategy would be able to maintain the market share.

Procurement of products or services

Procurement of products for distribution

Main factors involved in production of concerts are:

- 1) artists and personnel
- 2) production costs

For production costs, the major expenses are venue rental, wages, and artists' wages.

2.3 Copyright and distribution of Thai dramas of Channel 3 business



- Product: the Company distributes Channel 3's television series whereby the Company directly purchases copyright of the television series from Channel 3. The term of the license is approximately 2 years.
- As the lawful copyright owner, the Company has the right to prepare products in various forms of media in accordance with the conditions of the licensing agreement and distribute such products to local customers.
- Revenues are generated from sale of DVD and VCD and copyright fees.

Market and competition

● Competitive strategy

To have products with international standard quality, fair price and provide impressive services, the Company sets the following competitive strategy in respect of managing copyright of Thai television series:

1. Procurement of products with international standard quality

The Company selects quality series which is demanded by the market and records the series in the media formats which provide high quality pictures and sound. Such strategy assures the customers that, when purchasing the Company's products, they will obtain products with standard quality and suitable for their needs.

2. Setting competitive pricing

The Company's policy is to set pricing which is fair for customers and competitive among its competitors.

3. Fast and punctual service

The Company values punctuality in delivering products at the time agreed with customers. It provides fast and punctual delivery of products, so that customers nationwide may watch quality series from the Company at the same time. In respect of managing and providing quality services, the Company has received trust from the customers during the past.

● Characteristics of target customers

Most customers are individuals who enjoy watching Thai television series broadcasted on Channel 3.

● Sales and distribution channels

During 2014, the Company directly distribute Thai television series to retail customers and such group of customers has a direct contact with the Company.

- **Industry outlook and competition**

The nature of copyright infringement has changed due to the fast-changing technologies. During the past years, there was a severe problem of copyright infringement of music and movie CDs. However, the increasing use of digital media has caused the copyright infringement of CDs to decrease and such issue will no longer be a problem in the near future. The nature of copyright infringement will change as infringers violate copyright in other ways. In this respect, the Department of Intellectual Property has pushed for amendment of the Copyright Act to cover infringement of digital media.

To solve copyright infringement problem, consumers' support through purchase of copyrighted products is important. In addition, corporates as copyright holders should have continuous development of products in respect of quality, variety and value-for-money.

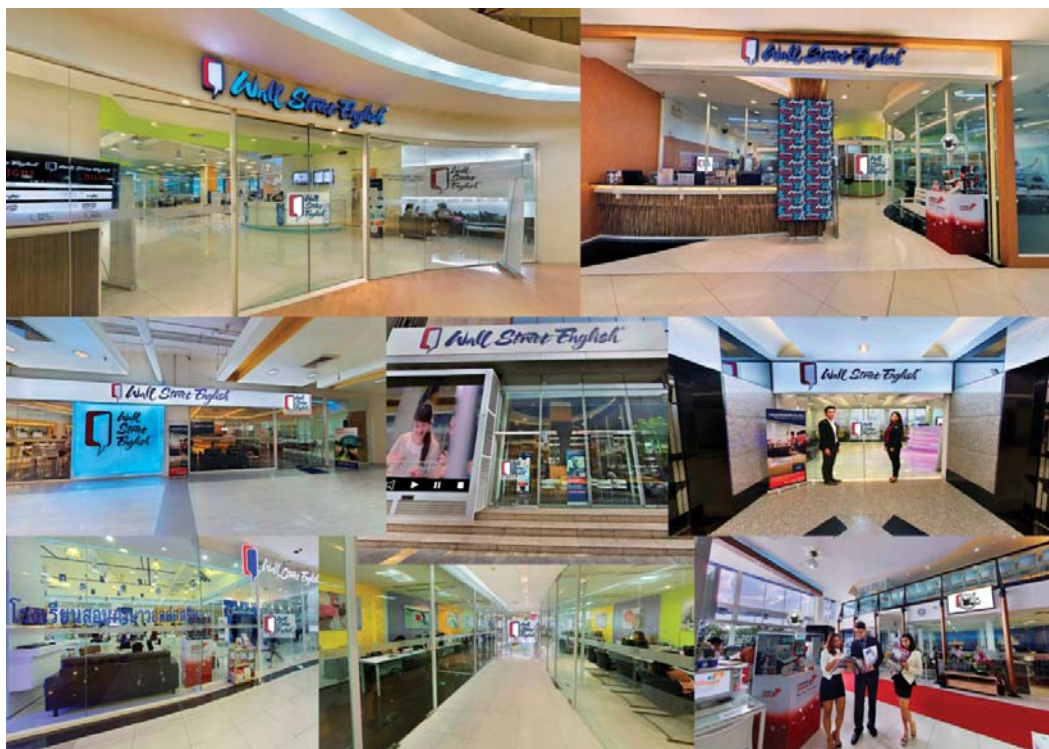
Procurement of products or services

- The Company procures product, which is copyright of Thai television series, for further distribution in the forms of DVD and CD.
- The most important product of the Company is copyright of Thai television series. Prior to approaching BEC World for purchasing of copyright, the Company will assess quality and rating of the television series whether it is a value investment and suitable for the Company. If the Company finds that the series is a value investment, it will approach BEC World to purchase the copyright whereby the term of licensing agreement is two years for each series and such term can be extended for a period of two years.
- Upon becoming a licensee, the Company may record copyrighted work on media for further distribution. Currently, DVD is the most popular product as it is small and portable. In addition, DVD player is cheaper and provides a high quality output.

The Company outsources DVD production to a third party. In Thailand, there are many companies which conduct the business of DVD production. At present, the Company engages one company for DVD production. The Company issues purchase orders to the third party and no agreement in respect of such engagement is made.

2.4 English language school business under the trade name of “Wall Street English” (“WSE”)

Operated by Efficient English Services Ltd. (“EES”)



Nature of business

EES is a language institute which operates and provides English language courses for adult learners of 17 years old and above under the name “Wall Street English”. Its products and services are operated under copyright of Pearson Education Limited, an operator incorporated in the United Kingdom and a leading educational service provider in the world. In addition, EES or WSE is a licensed operator in Thailand under the Private School Act B.E. 2550 (2007).

At the international level, WSE has been an English language institute with over 42 years of experience, 450 centers in 28 countries worldwide and over 2 million alumni students. In Thailand, EES is the only company with the copyright from Pearson Education Limited to operate the institute in the country. EES has been operating for more than 10 years in Thailand since 2003 with over 40,000 graduates, and in 2014, EES has 13,000 current students. Currently, EES has 8 centers in Bangkok and its perimeters. At the beginning of 2014, EES opened its first center in the economic provincial region of Chiangmai at the Central Festival Mall in Chiangmai. Consequently, EES currently has 9 centers spread across the country.

WSE course is a standardized course which is taught to students in every WSE center around the world. The course was designed for those who use English as their second language or as a medium for international communication. The course content is divided into levels, with a total of 20 levels, so that each learner can learn and develop English based on their actual English skills. With the unique blended learning method of WSE, a learner can naturally acquire English language skills quickly and speak English with confidence.

In addition, to fulfill extra needs for certain groups of students, WSE also provides a special one-on-one course (VIP Course) with native teachers to ensure quickest success of learners.

Industry outlook and competition

Since English has become an international language used worldwide for communication and connection, the English language school market is constantly expanding. With university entrance examination in Thailand consisting of test on English language as one of the subjects and the Asean Economic Community (AEC) coming in 2015, the English language school market will be expanding even more widely. Therefore, it is necessary for English language school operators to adjust their market strategy to accommodate for a higher level of competition, such as focusing on quality of teachers, course improvement, using of technologies for learning experience, and organizing sales and marketing events, and respond to changing behavior and requirements of learners.

With over 10 years of operation in Thailand, constant expansion, and being well-known and recognized for its unique learning method, WSE can certainly be considered as a high potential English language school in the Thai market.

- **Target customers**

The target customers of WSE are high school students, undergraduates, and other people who are interested in developing their English language skills.

- **Competitive strategy**

English language institute is considered a competitive business due to the low barrier to entry. However, EES's goal is to become a leading private English language school by employing experienced personnel with suitable qualifications, locating its centers in good location, building up strong and quality sales team, organizing campaigns which are suitable to target customers, and adjusting itself to the ever-changing environment. In addition, EES will use innovative marketing to publicize its brand and stimulate sales.

- **Sales and distribution channels**

With over 10 years of reputation and continued business growth in Thailand, WSE expanded its distribution by opening the first upcountry center in the economic provincial region of Chiangmai in 2014. Within Bangkok and its perimeters, WSE consistently expands its business to accommodate expansion of city boundary and, consequently, there are 8 WSE centers in Bangkok and its perimeters. WSE centers are located in accessible area which accommodates expansion of the population.

Procurement of products or services

WSE courses and training methods are operated under copyright. The courses were developed and determined by the copyright owner. Each WSE center can accommodate approximately 1,500 – 2,000 students. Staffs who are involved with the learning process are those with qualifications as prescribed by the Ministry of Education.

2.5 Restaurant business under the name of “Jeffer Steak”

Operated by Jeffer Restaurant Co., Ltd. (“Jeffer”)



Nature of products or services

Jeffer operates chain steakhouses under “Jeffer” servicemark which offer menu with variety of selection including pork, beef, chicken, fish, seafood, soups and salads. As Jeffer’s point of differentiation and selling point to its customers, the customers may choose any combination of menu based on their preferences. Jeffer offers many side dishes to complement its main dishes and variety of desserts, ice-cream, and drinks.

Jeffer provides relaxing atmosphere to its customers and a meal at Jeffer is suitable for any occasion whether for socializing with friends or for people of working age with limited amount of time. Jeffer offers quick services and therefore is suitable for having quick meals over lunch breaks.

Every menu at Jeffer is freshly made so that each dish provided to customers contains nutrients with good taste and at reasonable price.

As of 31 December 2014, Jeffer has 76 restaurants nationwide – 37 restaurants in Bangkok and 39 restaurants in other provinces. The restaurants are located in leading department stores in Bangkok and economical provinces. For ease of accessibility by customers, the location of the restaurants are within business area or community or near schools.

Market and competition

- **Competitive strategy**

- **Cost management**

Jeffer gives importance to management of raw material costs. By creating bargaining power with suppliers, Jeffer is able to efficiently manage costs of supplies and raw materials.

- **Brand building**

At present, Jeffer brand is well-known and popular among teenagers and people of working ages. Jeffer has received positive responses from customers in respect of pricing, food taste, differentiation and variety of food, restaurant decoration, and services. This illustrates strength and recognition of “Jeffer” brand. Jeffer markets itself through advertising and other channels including social media to expand brand recognition and increase its customer base.

- **Pricing**

Jeffer sets pricing by consideration of customers as a main factor. Its pricing policy is to give customers of any age and gender the opportunities to have quality steak in relaxing atmosphere and at reasonable prices.

- **Business expansion**

In implementing its policy of constant business expansion, Jeffer considers important factors including investment and return for each new restaurant, suitable location, population density and target customers. Jeffer's objective is to increase its market share.

- **Promotion**

Value is an important factor for customers in choosing a restaurant. In the past, Jeffer offers value products through promotions, discounts, complements or membership. Promotion encourages customers to increase spending per person per meal, expands customer base, and attracts repeated purchase.

● **Target customers**

Jeffer's target customers are diverse, yet it focuses on middle to high income earners including teenagers, students, university students and people of working age with style who enjoy steak, give importance to variety of food, and opt for value. At present, Jeffer brand is well-known and popular among teenagers and people of working age as Jeffer's menu appeals to customers want in terms of both taste and value.

● **Distribution channels**

As of 31 December 2014, Jeffer has 76 restaurants nationwide. The restaurants are located in leading department stores in Bangkok, economical provinces, business areas, communities and near educational institutions.

Jeffer maintains its strategy to consistently increase the number of restaurants in Bangkok and other provinces. Its objective is to gain the highest market share possible.

● **Competition**

The restaurant industry is constantly expanding due to the change in consumers taste. Thai consumers want convenience and are eating out more frequently. A fast expansion of city community has caused the number of restaurants to increase offering more choices to consumers. The restaurant operators include restaurant brands from overseas and local small and medium restaurant operators which has caused restaurant business in Thailand to become highly competitive.

Restaurant business usually competes on differentiation. As the society changes, people has no time to cook at home, wants change of environment for relaxation, and seeks for entertainment with family or friends. Restaurant operators must rapidly adjust themselves in order to correspond to the changes in consumers behavior including paying more attention to nutrients from food consumption and reducing food expense. Restaurant operators must focus on providing healthy menu and foods which are value-for-money when compared to home cooking. In this connection, Jeffer focuses on providing menu with variety of selection, fast services, reasonable prices and business expansion. Jeffer gives importance to location, which must be within community or central business district, and creating “Jeffer” brand recognition through various media.

Based on information of Kasikorn research center, the total value of restaurant business in 2014 is approximately Baht 267,000 - 275,000 million with a growth rate of 2.9 – 5.9 percent. As a result, it is estimated that the total value of restaurant business, including chain and general restaurants, will be approximately Baht 375,000 - 385,000 in 2015 with a year-on-year growth of 4.0 – 6.8.

Procurement of products or services

Restaurant managers count remaining stocks on a daily basis to find out which product needs to be ordered and make an order through Jeffer's centralized system. Every products will be directly sent to each restaurant, whether in Bangkok or other provinces, by standard refrigerated trucks in order to maintain quality. Jeffer gives importance to quality of products and management of transportation costs. For perishable goods such as vegetables, supplier will send the goods directly to the restaurants for convenience and maintaining of product freshness.

Jeffer has 2 – 3 suppliers supplying each type of product in order to diversify risks in respect of price and if there is a lack of raw materials during certain period. For some products, particularly those which involve currency exchange rates, Jeffer enters into an agreement to reserve high quantity of products in order to control costs and negotiate price.

Jeffer has set procedures for every steps including ordering, inspecting, and managing goods and raw materials. Responsible employees are assigned to oversee each step and procedure to assure that every products ordered match Jeffer's requirements in terms of both quantity and quality.

3. Risk Factors

In year 2014, the Company's core business were (i) television program producer and distributor, (ii) copyright owner and distributor of Thai drama series from Channel 3, (iii) concerts and events organizing services, (iv) English language school business under the trade name of "Wall Street English", (v) restaurant business under the trade name of "Jeffer Steak", and (vi) sub-leasing service of areas in Central Plaza Pinklao and Central Plaza Ratchada-Rama III in accordance with the lease terms granted to the Company.

Thus, risks of the year 2014 can be summarized as follows:

Risks relating to television program producer and distributor business

1. Advertising expenses growth

As part of WAVE Group's operating income comes from sale of advertising time slots available from production of series, the risk is growth in advertising expenses. Such growth depends on consumers' purchasing power and competitive situation of local companies as purchasers of advertisements. Although such issue is not within its direct control, the Company believes that it will not become a severe problem as major purchasers of television and radio advertisements are large consumer product companies and there is high level of competition within the industry. In such competitive market, there is always new players in the industry which inference can be drawn that the risk of decreased advertising expenses is unlikely, and if such circumstance occurs, it will only happen for a short period of time as the competitive market among advertisement purchasers will create an increase in advertising sales.

2. Replacement media of free television

In respect of replacement media of free television such as digital TV, internet, and satellite TV, which may take away television advertising market share, the Company believes that they will not have significant effects on advertising expenses. This is because television advertising, with the advantage of reaching mass market nationwide, makes up the majority portion of the total advertising spending. In addition, the Company has improved its programs to become suitable and up-to-date by constantly producing television programs and/or series which are popular among the current market. The Company also sells advertisements and procures sponsorship by product bundling which facilitates customers in choosing advertising channels and formats for their products.

3. Change of television program schedule or commitment

As the Company produces programs to be broadcasted on television channel, the change of television program schedule by the channel to match audience's behavior or program popularity by removing certain programs may impose the risk of procuring new program for broadcasting on the Company. If such circumstance occurs, it will affect the continuity of the program being broadcasted and the Company's income.

Each television channel has different criteria in considering whether to reschedule the television program or change its commitment. The major criteria include program format and consistent popularity of the program. The Company is not ignorant of such risk and has strived to develop programs, which are popular and in trend, including new programs with variety and suitable to all audience. To lower the impact of such risk, the Company also consistently auditions for new actors/actresses with high level of capabilities and produces innovative programs which suit current situation. In addition, the Company has standard decision-making process for production and broadcasting of each program. Prior to each program being broadcasted, quality control procedures will be performed. The Company evaluates popularity and feedback of each program for further program development. It also maintains a good relationship with television channel.

4. Dependency on major shareholder

The revenues from television program production and distribution and sales of copyrighted Thai drama series depend on a major shareholder, namely BEC World Public Company Limited (“BEC”), who is the operator of Channel 3. This imposes the Company with a risk that BEC does not allocate time slots or provides license of Thai drama series to the Company.

However, our television programs and drama series had been on air for several years which indicates that the television programs and drama series produced by Wave Group are of high product quality and gain popularity among audience, and consequently Wave Group remains one of the top production houses in the industry. Wave Group also constantly provides new quality programs to the television channel. In addition, the introduction of 24 commercial digital terrestrial TV (Digital TV) channels in 2014, of which BEC World Plc. won 3 channels, is an opportunity for Wave Group to grow its television show business as there is high possibility that BEC World Plc., a major shareholder of the Company with a long-standing business relationship with Wave Group, will hire Wave Group to produce television programs for broadcasting on such channels.

Risks relating to operation of concerts and events business

1. Competition among promoters

At present, there is a large number of promoters of concerts and events in the market. Such factor affects reservation of venues for holding concerts and events which target the same or similar group of customers as the competitors and decision making of consumers with budget constraint.

However, Wave Group consistently examines the market and keeps up-to-date with information which helps the group in making plans in advance. Wave Group also adjusts format and time period of concerts for variety and adding values to audience and sponsors.

2. Procurement of sponsors

With the current market, companies have various choices of media channels to publicize their products in order to reach their target customers within the budget. Therefore, organizers are required to organize distinct concerts which attract potential sponsors.

Wave Group has a systematic plan to seek for sponsorship and maintains good business relationship with sponsors by liaising with sponsors prior to making decision to organize concerts. Wave Group also offers bundle products, knows sponsors’ products, and conducts feasibility of the project based on past performance in order to reduce the risk of incurring loss from organizing each concert.

3. Non-compliance with agreement by counterparty

There are many factors necessary for the success of concerts or events such as experience and capabilities of organizer, readiness of venues, and readiness of and cooperation from artists. Therefore, Wave Group cautiously prepares an agreement of which conditions are mutually agreed between it and each artist and/or counterparty in order to create confidence to sponsors and audience in respect of success of each concert.

Risk relating to English language school business**1. Competition among English language school business**

English language school business is highly competitive due to the low barrier to entry. However, the Company aims to become a leading private school which offers English language courses and training by having the right personnel with suitable qualifications, building a strong sales team, organizing up-to-date campaigns which are suitable for target customers, and providing attractive incentives and sharing of benefits between staffs and supervisor. Moreover, the Company uses innovative marketing to publicize the brand and stimulate sales.

2. Selection of center location

Selecting the right location for each center, whether in department stores or other lease areas, is a critical factor to success of the business. In this respect, the Company faces risks such as lease term of any center not being extended or changes to conditions of lease agreement. However, Wave Group conducts various business and is well known among teenagers, people who just starts working, and other consumers, which attracts consumers to use other services in department stores or lease areas. In addition, the Company is expanding its English language school business by opening new center in leading department stores every year. Therefore, it has a bargaining power with department stores and/or owners of lease areas in reserving suitable locations over other competitors and is able to enter into long-term lease agreements at reasonable expenses.

3. Effects of economic and political instability, natural disasters, and force majeure on the business

Wave Group's revenues and profits rely on consumers' spending, and therefore may be negatively affected by external factors beyond the control of Wave Group such as economic slowdown, political instability or natural disaster (e.g. flood and earthquake). Such risks are faced by all companies and the Company has risk management measures to lower the negative impact on the business and manage force majeure events. Such measures include taking out insurances over assets to cover for events such as flood and fire etc.

Risks relating to restaurant business**1. Competition among restaurant business**

Recently, customers' preferences have shifted. Thai people prefers convenience, tends to dine out more and the city has rapidly expanded. As a result, the number of restaurants substantially increases providing more options to consumers, including operators of western cuisine and local small and medium restaurant operators. As such, there is a high level of competition among restaurant business in Thailand. However, Wave Group plans to maintain its reputation as a leading restaurant with quality steak and reasonable prices. In addition, it differentiates itself from competitors by providing variety of menu selection, fast service, and being adaptive to changing needs of consumers. Consequently, the Company maintains its leadership within the industry and gain ever-increasing market share.

2. Selection of restaurant location

Selecting the right location for each restaurant, whether in department stores or other lease areas, is a critical factor to success of the business. In this respect, the Company faces risks such as lease term of any center not being extended or changes to conditions of lease agreement. However, Wave Group conducts various business and is well known among teenagers, people who just starts working, and other consumers, which attracts consumers to use other services in department stores or lease areas. In addition, the Company is expanding its restaurant business by opening new restaurant in leading department stores every year. Therefore, it has a bargaining power with department stores and/or owners of lease areas in reserving suitable locations over other competitors and is able to enter into long-term lease agreements at reasonable expenses.

3. Effects of economic and political instability, natural disasters, and force majeure on the business

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Overall risks of the group**1. Legal dispute**

As of 31 December 2014, the Company and its subsidiaries have legal dispute which may positively and negatively impact them as set out in Form 56-1, Part 5 "Legal Dispute".

2. Financial stability and ability to borrow and comply with conditions of loan agreement

Apart from expansion of existing business, Wave Group may want additional funding to invest in new projects or acquire other businesses. Therefore, it has to maintain liquidity and reserve sufficient fund as working capital. Long-term financing must be obtained and source of financing should be diversified. However, Wave Group has outstanding performance and high liquidity which allows it to maintain financial stability and complies with the conditions of the loan agreements with ease.

3. Information technology system

Wave Group, including its back office and business units, uses information technology system in conducting its business. Wave Group understands importance of maintaining business continuity in the event that any unexpected circumstance or disaster arises and causes failure of the computer system.

To lower such risk which may affect business continuity, Wave Group has back-up its information including accounting system and customer information by storing information and keeping them up-to-date within designated area.

4. General information and other important information

General Information

Name	WAVE Entertainment Public Company Limited.
Head Office	Maleenont Tower 15th floor No.3199, Rama IV Road, Klongton Sub-district, Klongteoy, District 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. Copyright owner and distributor of Thai drama series of Channel 3 2. Concerts and events' organize 3. Sub-leasing service of area in Central Plaza Pinklao and Central Plaza Ratchada-Rama III, in accordance with the lease terms granted to the Company
Registration capital	Baht 324 Million
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 and its subsidiaries hold 10% or more of shares

Subsidiaries companies

Name **Wave TV Co., Ltd.**

Head Office Maleenont Tower 15th floor no.3199, Rama IV Road,
Klongton Sub-District, Klongteoy District, Bangkok 10110
Tel. (02) 665-6705 Fax. (02) 665-6750

Type of business Television Programme Producer and distribution

Issued shares 5 million ordinary shares with a par value of Baht 10.00 each

Name **WAVE Pictures Co., Ltd.**

Head Office Maleenont Tower 15th floor no.3199, Rama IV Road,
Klongton Sub-District, Klongteoy District, Bangkok 10110
Tel. (02) 665-6705 Fax. (02) 665-6750

Type of business Movies Producer and Distributor

Issued shares 1 million ordinary shares with a par value of Baht 100.00 each

Name **Wave Food Group Co., Ltd.**

(The company name was changed from WAVE TV & Movie Studios Co., Ltd. on 6 November 2014)

Head Office Maleenont Tower 15th floor no.3199, Rama IV Road,
Klongton Sub-District, Klongteoy District, Bangkok 10110
Tel. (02) 665-6705 Fax. (02) 665-6750

Type of business 1. Studio leasing for Television, News and Movie Production
2. Television and Movie Producer and Distributor

Issued shares 0.5 million ordinary shares with a par value of Baht 10.00 each

Name **CVD Organizer Co., Ltd.**

Head Office Maleenont Tower 15th floor no.3199, Rama IV Road,
Klongton Sub-District, Klongteoy District, Bangkok 10110
Tel. (02) 665-6705 Fax. (02) 665-6750

Type of business Event Organizer

Issued shares 0.1 million ordinary shares with a par value of Baht 10.00 each

Name	Efficient English Services Ltd.
Head Office	KamolSukosol Building, 317 Silom Road, Silom Sub-District, Bangrak District, Bangkok 10500 Tel (02) 660-3000
Type of Business	Private School, Language Institute and Trainer on English Language
Issued Shares	0.63 million ordinary shares with a par value of Baht 10.00 each 1.0266 million (1,026,600) preference shares with a par value of Baht 10.00 each

Name	Jeffer Restaurant Co., Ltd. owned by Wave Food Group Co., Ltd.
Head Office	11/58 Soi Sukhapiban 5 Soi 50 (Put Cheua Kaew) Sai Mai District, Bangkok 10220
Type of Business	1.To produce raw material and equipment for producing of Food and Beverage Business 2. Restaurant Business in respect of sell food and Beverage.
Issued Shares	10.049 million (10,049,000) shares with a par value of Baht 10.00 each 49,000 shares with a par value of Baht 10,00 each

Associated company

Name	Thai Solar Energy Public Company Limited
Head Office	Maleenont Tower 16th floor No.3199, Rama IV Road, Klongton Sub-District, Klongteoy District, Bangkok 10110 Tel. (02) 661-2701 Fax. (02) 661-2705
Type of business	Electricity Producer from Solar Energy to sell to and private sectors public
Issued shares	1,815 million ordinary shares with a par value of Baht 10.00 each

Note

The Company has invested 363.25 million shares at par of Baht 10 each, in Thai Solar Energy Public Company Limited, representing 20% of total paid up capital.

Reference persons

Share registrar	<p>Thailand Securities Depository Co.,Ltd. The Stock Exchange of Thailand Building 62 Ratchadaphisek Road, Klongteoy District, Bangkok 10110 Tel. (02) 229-2800</p>
Auditor	<p>1 PricewaterhouseCoopers ABAS Ltd. 15th floor Bangkok City Tower 179/74-80 South Sathorn Road, Bangkok 10120 Tel. (02) 344-1000 Fax. (02) 286-5050 Mr.Kajornkiet Arroonpirodkul Certified Public Accountant (Thailand) No. 3445 and / or, Mrs.Nattaporn Phan-Udom Certified Public Accountant (Thailand) No. 3430 and / or, Mr.Pisit Thangtanagul Certified Public Accountant (Thailand) No. 4095 have been appointed by auditors 2. A.C. Audit and Consult Co., Ltd.¹ 100/365 Soi Ratpattana14, Saphan Sung Bangkok 10240 Tel. (02) 184-7515 Fax. (02) 184-7515 Sergeant Somporn Tienkrajang Certified Public Accountant (Thailand) No. 6347</p>
Legal counsel	<p>Hunton & Williams (Thailand) Limited 34th Floor, 1/3401-3402 Q.House Lumpini Building South Sathorn Road, Thungmahamek Sub-District, Sathorn District, Bangkok 10120 Tel. (02) 645-8848 Fax. (02) 645-8880</p>
Financial advisor	<p>1. Advisory Plus Co., Ltd. 10th Floor, Thanapoom Tower 1550 Petchburi Road, Makasan Sub-District, Rattthewi District, Bangkok 10400 Tel. (02) 652-7858-64 Fax. (02) 652-7867 2. Siam Commercial Bank Public Company Limited 9 Ratchadapisek Road, Chatuchak District Bangkok 10900 Tel. (02) 777-7777</p>

Note

¹ The subsidiary has acquired Jeffer Restaurant Co., Ltd. on 4 December 2014 whereby Audit and Consult Co., Ltd. as the auditor of the financial year 2014.

5. Capital Structure

➤ Company's Registered Capital and Paid-up Capital

Registered Capital and Paid-up Capital of the Company as of December 31, 2014:

Registered Capital : 324,000,000 Baht divided in to ordinary shares 32,400,000 shares par value at 10 Baht each

Paid-up Capital : 324,000,000 Baht divided in to paid-up ordinary 32,400,000 shares par value at 10 Baht each

Stock Exchange : The Stock Exchange of Thailand (SET)

➤ Shareholders

The names of the top 10 shareholders (as of the book closing date on December 30, 2014) are as follows:

		paid-up	
Name	Number of Shares	% of the total	
1. Maleenont family Group	12,968,558	40.3	
1.1 Ms. Cathleen Maleenont	7,143,558	22.05	
1.2 BEC World Public Company Limited	5,825,000	17.98	
2. Mr. Veerasak Boonvornmethee	2,260,200	6.98	
3. Mr. Pinai Jinapan	1,343,000	4.15	
4. Ms. Nattawan Piyamahachot	1,259,800	3.89	
5. Ms. Onyaporn Kanjanajaree	1,200,000	3.70	
6. Mrs. Suwimol Leesuan	984,200	3.04	
7. Mr. Permsak Meesakul	855,100	2.64	
8. AM. Apichart Koysukkho	854,400	2.61	
9. Mr. Sinchoke Piriyotaisakul	589,900	1.82	
10. Mr. Pornprasert Kanjanajaree	589,100	1.82	
Total	22,895,258	70.68	

Source: the name list of shareholders of WAVE Entertainment Public Company Limited. as of December 30, 2014.

Remark:

➤ The issuance of other securities

The Company has no convertible securities, such as warrants and convertible bond.

6. Dividend Payment Policy

The Company and its subsidiaries have policy of dividend payment for shareholders of not less than 50% of net profit after corporate income tax.

7. Management Structure

➤ Board of Directors

The Company's board of directors had set and approved the company's vision, mission, strategy, goal, business plan and budget, as well as monitored the Management team to run business in accordance with the specified business plan and budget, efficiency and effectively, in order to create maximum economic value to the business and to create highest stability for the shareholders. In addition, the Company's board of directors emphasizes internal control system, by setting an internal audit and a regular performance monitor. The Company's board of directors had also clearly determined duties and responsibilities of board of directors, sub-committee and the Management team.

(1) As of December 31, 2014, the Company has 11 directors as follows:

Name	Position	Board of Directors meeting	
		Times/ year	Attendance number
1. Mr. Matthew Kichodhan	Chairman Chairman of the Investment Committee	8	8
2. Mrs. Tipawan Wuttisarn ^{1, 2}	Independent Director Chairman of Audit Committee	8	7
3. Mr. Somsak Phayapdacharchai	Independent Director Member of Audit Committee	8	8
4. M. L. Nalinee Hastintra	Independent Director Member of Audit Committee Member of the Nomination and Remuneration Committee	8	8
5. Mr. Chansak Fuangfu ¹	Independent Director	8	6
6. Ms. Tracy Ann Maleenont ^{1, 3}	Director	8	4
7. Dr. Cathleen Maleenont ⁴	Director Chairman of the Risk Management Committee	8	8
8. Ms. Piyawadee Maleenont ¹	Director Member of the Risk Management Committee Member of the Investment Committee	8	6
9. Ms. Manida Zimmerman ^{1, 5}	Director Chairman of the Nomination and Remuneration Committee	8	4
10. Mr. Tee Seeumpornroj ⁶	Director Member of the Nomination and Remuneration Committee Member of the Risk Management Committee Member of the Investment Committee	8	8
11. Mr. Philipp O. Piaz ⁷	Independent Director Member of the Risk Management Committee	-	-

Name	Position	Board of Directors meeting	
		Times/ year	Attendance number
<u>Director who resigned in 2014</u> Mr. Soonthorn Pokachaiyapat ^{1, 8}	Vice Chairman Chairman of the Nomination and Remuneration Committee	8	3

Details of all directors' profiles are contained in the details relating directors, management and the Company's secretary as detailed in, Attachment No. 1, Annual Registration Statement (Form 56-1).

Remarks

- ¹ The director was engaged in other business and unable to attend all meetings.
- ² resigned from the member of the Risk Management Committee, effective from December 3, 2014.
- ³ resigned from the chairman of the Risk Management Committee, effective from December 3, 2014.
- ⁴ resigned from the member of the Nomination and Remuneration Committee and appointed to act as the chairman of the Risk Management Committee, effective from December 3, 2014.
- ⁵ resigned from the member of the Risk Management Committee and appointed to act as the chairman of the Nomination and Remuneration Committee, effective from December 3, 2014.
- ⁶ appointed to act as the member of the Nomination and Remuneration Committee, the member of the Risk Management Committee and the member of the Investment Committee, effective from December 3, 2014.
- ⁷ appointed to act as the Independent Director and the member of the Risk Management Committee, effective from December 3, 2014.
- ⁸ resigned, effective from December 3, 2014.

(2) Shareholding Structure of the Company of its Directors and the Management for 2014 as follows:

Name	Position	Number of shares		
		1 Jan 2014	30 Dec 2014	Changes
1. Mr. Matthew Kichodhan	Chairman Chairman of the Investment Committee	-	-	-
2. Mrs. Tipawan Wuttisarn	Independent Director Chairman of Audit Committee	-	-	-
3. Mr. Somsak Phayapdacharchai	Independent Director Member of Audit Committee	-	-	-
4. M. L. Nalinee Hastintra	Independent Director Member of Audit Committee Member of the Nomination and Remuneration Committee	-	-	-
5. Mr. Chansak Fuangfu	Independent Director	-	-	-
6. Ms. Tracy Ann Maleenont	Director	-	-	-
7. Dr. Cathleen Maleenont	Director Chairman of the Risk Management Committee	4.14 million shares (12.8%)	7.14 million shares (22.05%)	3 million shares transferred
8. Ms. Piyawadee Maleenont	Director Member of the Risk Management Committee Member of the Investment Committee	-	-	-
9. Ms. Manida Zimmerman	Director Chairman of the Nomination and Remuneration Committee	7,000 ¹ shares (0.02%)	5,000 shares (0.02%)	<ul style="list-style-type: none"> • Purchases 7,000 shares • Sell 2,000 shares
10. Mr. Tee Seeumpornroj	Director Member of the Nomination and Remuneration Committee Member of the Risk Management Committee Member of the Investment Committee	-	-	-
11. Mr. Philipp O. Piaz	Independent Director Member of the Risk Management Committee	-	-	-
<u>Director who resigned in 2014</u>				
Mr. Soonthorn Pokachaiyapat	Vice Chairman Chairman of the Nomination and Remuneration Committee	-	-	-

Remark

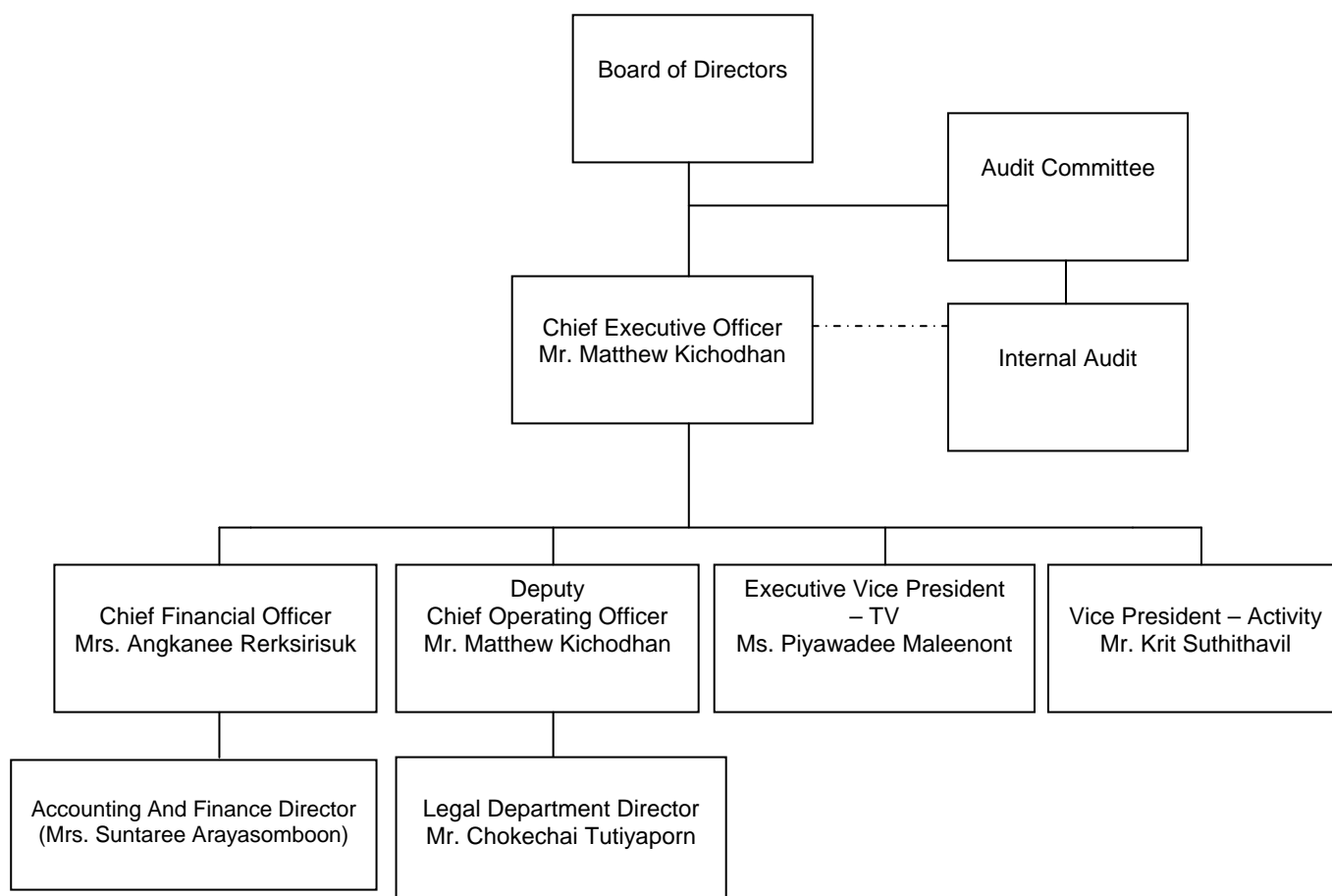
¹ According to Wave Entertainment Public Company Limited's list of shareholders as of 30 June 2014.
In 2014, all management did not hold shares in the Company.

➤ **Management**

As of December 31, 2014, the Company had 6 management as follows:

Name	Position
1. Mr. Matthew Kichodhan	Chief Executive Office Deputy Chief Operating Officer
2. Mrs. .Angkanee Rerksirisuk	Chief Financial Officer
3. Ms. Piyawadee Maleenont	Executive Vice President – TV
4. Mr. Krit Suthithavil	Vice President – Activity
5. Mr. Chokechai Tutiyaorn	Legal Department Director
6. Mrs. Suntaree Arayasomboon	Accounting and Finance Director

Organization Chart



➤ **Company Secretary**

Board of Directors has appointed Mrs. Angkanee Rerksirisuk to act as the Company Secretary. The qualifications of the Company Secretary are contained in the details relating directors, Management and the Company's secretary Section, Attachment No. 1, Annual Registration Statement (Form 56-1).

➤ **Remuneration for Directors and the Management**

(1) Monetary remuneration

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, duties and responsibilities of each director and the Company's financial status. The remuneration was specified in the same level similarly to other companies' remuneration which are in the same industry, and was sufficient to attract and retain the qualified directors, as the Board of Directors deems appropriate. Each group of the directors and committees were assigned to have additional duties and responsibilities, for example, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Investment Committee shall receive additional remuneration in accordance with their additional assignments and responsibilities. Subsequently, the remuneration shall be considered and approved by the Company's Board of Directors and the shareholders in order to comply with the good corporate governance principles.

It is noted that the Company's Independent Directors are required to hold office merely only the Company and receive remuneration from the Company.

(a) Remuneration for Directors

In 2014, the details of monetary remuneration consist of fixed remuneration and meeting attendance fee which shall be paid in accordance with a number of attendance as follows:

unit : million

Name	Position	Fix remuneration	Meeting Fee	Total monetary remuneration
1. Mr. Matthew Kichodhan	Chairman	0.491	0.049	0.540
	Chairman of the Investment Committee	-	-	-
2. Mrs. Tipawan Wuttisarn ²	Independent Director ¹	0.227	0.034	0.261
	Chairman of Audit Committee	0.136	0.021	0.157
	Member of the Risk Management Committee	-	0.010	0.010
3. Mr. Somsak Phayapdacharchai	Independent Director ¹	0.227	0.039	0.266
	Member of Audit Committee	0.113	0.018	0.131
4. M. L. Nalinee Hastintra	Independent Director ¹	0.227	0.039	0.266
	Member of Audit Committee	0.113	0.018	0.131
	Member of the Nomination and Remuneration Committee	-	0.010	0.010
5. Mr. Chansak Fuangfu	Independent Director ¹	0.227	0.028	0.255
6. Ms. Tracy Ann Maleenont ³	Director	0.227	0.017	0.244
	Chairman of the Risk Management Committee	-	0.012	0.012
7. Dr. Cathleen Maleenont ⁴	Director	0.227	0.039	0.266
	Member of the Nomination and Remuneration Committee	-	0.010	0.010
	Chairman of the Risk Management Committee	-	-	-

Name	Position	Fix remuneration	Meeting Fee	Total monetary remuneration
8. Ms. Piyawadee Maleenont	Director	0.227	0.028	0.255
	Member of the Risk Management Committee	-	0.010	0.010
	Member of the Investment Committee	-	-	-
9. Ms. Manida Zimmerman ⁵	Director	0.227	0.017	0.244
	Member of the Risk Management Committee	-	0.003	0.003
	Chairman of the Nomination and Remuneration Committee	-	-	-
10.Mr. Tee Seeumpornroj ⁶	Director	0.227	0.039	0.266
	Member of the Nomination and Remuneration Committee	-	-	-
	Member of the Risk Management Committee	-	-	-
	Member of the Investment Committee	-	-	-
11.Mr. Philipp O. Piaz ⁷	Independent Director ¹	-	-	-
	Member of the Risk Management Committee	-	-	-
<u>Director who resigned in 2014</u>				
Mr. Soonthorn	Vice Chairman	0.340	0.013	0.353
Pokachaiyapat ⁸	Chairman of the Nomination and Remuneration Committee	-	0.004	0.004
Total		3.236	0.458	3.694

Remark

¹ Independent director shall act in his position only in one company and receive remuneration only from such company.

² resigned from the member of the Risk Management Committee, effective from December 3, 2014.

³ resigned from the chairman of the Risk Management Committee, effective from December 3, 2014.

⁴ resigned from the member of the Nomination and Remuneration Committee and appointed to act as the chairman of the Risk Management Committee, effective from December 3, 2014.

⁵ resigned from the member of the Risk Management Committee and appointed to act as the chairman of the Nomination and Remuneration Committee, effective from December 3, 2014.

⁶ appointed to act as the member of the Nomination and Remuneration Committee, the member of the Risk Management Committee and the member of the Investment Committee, effective from December 3, 2014.

⁷ appointed to act as the Independent Director and the member of the Risk Management Committee, effective from December 3, 2014.

⁸ resigned, effective from December 3, 2014.

(b) Remuneration for the Management

Remuneration for the Management, is in accordance with the policies and rules as specified by the Company's board of directors, and in connection with the Company's performance and the performance of each member of the Management, considered by the Nomination and Remuneration Committee and proposed to the Board of Directors for an approval.

In 2014, the monetary remuneration were paid by the Company Group, consisting of salaries, bonuses and others, to the Management in the total amount of Baht 43.37 million.

(2) Other remuneration

(a) Other remuneration for Directors

The Company did not paid any other types of remuneration to the board of directors other than the monetary remuneration, fix remuneration and meeting fee.

(b) Other remuneration for the Management

The Company did not paid any other types of remuneration to the board of directors other than the monetary remuneration.

➤ Employee

(1) Remuneration for employees

Wave Group has laid down a policy on remuneration for employees, by having considered appropriate, fairness, and in accordance with knowledge, skills and performance of each employee, which is consistent with the average rate paid in the same industry. The remuneration was considered and evaluated from KPI performance in accordance the Company's capability and development. Wave Group has paid remuneration to the employees as follows, salaries, overtime expenses, financial aid for cost of living, bonuses, special financial aid, social security and provident fund contributions.

As of December 31, 2014, Wave Group had a total employee of 1,386¹, divided into 19 Company employees, and 1,367 subsidiary's employees. The total amount of remuneration for employees in 2014 was Baht 245.63 million^{1,2}.

Remark

¹ On 30 April 2014, the Company purchased all shares in Efficient English Services Ltd. (EES) and on 4 December 2014, Wave Food Group Company Limited (the Company's subsidiary) purchased all shares in Jeffer Restaurant Company Limited.

² Total employees benefit is in accordance with International Accounting Standard 19 Employees Benefits.

(2) Employees benefit

In order to enhance quality of working life, not only benefits will be provided to the employees as prescribed under the laws, the Company has also developed the benefits and welfare to comply with the Company's nature of business and managed to have additional benefits, for example, outpatients and inpatients medical benefits, supporting money benefits and others (such as supporting money for a host in funeral of an employee or his/her legitimate family member), in order to build up employees' morale and to enhance their confidence to work with the Company, to share their costs and create securities for the employees and their family members in a certain level. Such benefits were considered at the highest benefits which the employees will receive. The Company also laid down a policy on human resource management publicly announced and acknowledged by all levels of employees.

(3) Employee development

The Company has laid down a policy on employee development focusing on providing knowledge to the employees in which the Company managed to have internal and external training plans, in order for the employees to gain knowledge and develop their skills, as well as to enhance their efficiency and effectiveness to their performance. In 2014, the employees had enrolled the training at the average period of 9 hours per year, calculated from 19 employees of the Company.

8. Corporate Governance

8.1 Corporate Governance Policy

According to the Company's Articles of Association which authorize the Board of Directors to make decision and monitoring on Company's operation such as setting vision, strategic, business goals, plan and annually budget, including monitoring the management; which taking policy to proceed in efficiency manner for the utmost benefit of every relevant units. The Company has its corporate governance policy as follows:

- Corporate Governance Policy is part of the business operation policy which the Company's Board of Directors had monitor, amend and improve to match with the time, the Company's condition, economic and social situation, and to comply with the additional policy of Stock Exchange of Thailand or other monitoring organizations, which is the uplift of the Company's corporate governance to match with the international standard.

In the Board of Director's Meeting No. 8/2014 held on 3 December 2014, Good Corporate Governance Policy (Amendment) 2014 was reconsidered and approved, to match with the regulation on monitoring corporate governance policy of listed company of the Institute of Directors ("IOD") which introduces additional regulations to match with the evaluation rules of ASEAN CG Scorecard, and inform the directors, executives, and employees to acknowledge to such amendment.

The Board of Directors has audited the compliance to the policy in year 2014, which concludes that the Company's Board of Directors have completely comply with the relevant policy and procedures. However, the Company has selected some of the corporate governance policy different from the regulation on monitoring corporate governance policy of listed company of IOD in the following policies :

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
Chairman of the Board of Directors shall be independent director.	The Company has the Chairman of the Board of Directors which is not an independent director, however, the present chairman is suitable, experienced and capable of efficiently monitor the performance of duties by the Board of Directors, and fairly ensure the benefits of every parties.
Chairman of the Board of Directors and CEO shall be different person.	The Chairman of the Board of Directors and CEO of the Company is the same person. However, for check and balance purpose, the Board of Directors has established an appropriate structure of the Board of Directors by clearly separate duties and responsibilities of the Board of Directors from that of the management, including any approval and operation shall be proceeded in accordance with authorizations approved by the Board of Directors.

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
Majority of the Board of Directors shall be independent directors.	As of 31 December 2014, 45% of the Board of Directors are independent directors. The Board of Directors believes that such structure is suitable to the current business and control structure of the Company.
Independent director shall be in his/her term of not more than 9 years.	The Company is in the process of reconsideration to have independent director be in his/her term of not more than 9 years.
Executive directors shall hold the office of the Board of Directors of not more than 2 other listed companies.	The Company determines that every director can hold the office of Board of Director in other listed company in total of not more than 5 companies. The Nomination and Remuneration Committee shall introduce and appoint person to hold the office of the Board of Directors, considering from the capability and availability of the person to perform such duty for the Company in an effective manner.
All members of the Nomination and Remuneration Committee shall be independent directors.	As of 31 December 2014, The Nomination and Remuneration Committee of the Company consist of independent committee and directors who are not executives. The Company's Board of Directors believes that the structure of such sub-committee suitable to the current business and control structure of the Company.
The Board of Directors shall establish a corporate governance committee (CG Committee).	The Company is in the process of consideration to appoint Corporate Governance Committee.
The Board of Directors shall determine succession plan of high-level executives.	The Company views it material and support to have succession plan on position of CEO, and/or high ranking position, as part of the Company's human resources management strategy, in case that such executives is incapable to perform its duty, or such office become vacant, which helps the operation of the Company proceed continuously.
All directors shall attend the Board of Directors' meetings at least 75% of all meetings per year.	The Company is in process coordinating to have every director to attend the meeting at least 75% of meeting annually. However, The whole Board of Directors attending the meeting not less than 80% annually.

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
At least two-thirds of all directors shall be presented for voting an agenda of the meeting.	According to the Articles of Association, not less than half of all directors shall present at the Board of Directors' meeting to constitute the quorum. The resolution of the meeting shall be by majority vote, the Board of Directors believe that such resolution ratio is suitable to the Company's current condition.

- Business ethics manual: The Company's Board of Directors had monitor, amend and improve to match with the time, the Company's condition, economic and social situation, and to comply with the additional policy of Stock Exchange of Thailand or other monitoring organizations. According to the Board of Director's meeting No. 8/2014 held on 3 December 2014, the Business ethics manual Code of Conduct (Amendment) 2014 was approved and distributed to the employees as a guidelines for honest and justly operation, including operation to the Company, every stakeholder, public and society, in which the relevant units shall sign for acknowledgement and consent to comply with the manual. In addition, the Company have monitor program to monitor on the compliance, and also established disciplinary action, in which there is no issue of non-compliance with the business ethics manual found in year 2014.

- The transactions potentially leading to conflict of interest: The Company's policy set the procedures regarding any connected transaction with the person potentially have a conflict of interest that such transaction must be subjected to the consideration of management, and introduce to the Board of Directors and/or the Shareholders' meeting for approval in accordance with the approval and operation regulations, articles of association, and the regulations in the SET's notification concerning information disclosure and the operation concerning connected transaction of the listed company. In addition to this, the opinion of the Board of Directors and Audit Committee stating that such transaction is appropriate and for the utmost benefit of the Company same as the transaction made with the third party, must be expressed. The director who has an interest is not subject to vote in such transaction, where the information being disclose completely for the overall benefit of the Company which is complied with the Company's good corporate governance policy.

Transaction with the major shareholders, director, executives or any related persons must be subjected to the approval procedures as set by the approval and operation regulation, articles of association, and the approval to such transaction is made by non-interest person.

The Board of Directors has always approved transactions potentially leading to conflict of interest and connected transactions with due care and comply with the SET's regulation. The connected transaction is made justly by the market price and in accordance with the Fair and at arms' length principle of the Company, which the utmost benefit of the Company is prioritized, including the disclosure of information concerning name, relation of the related person, price setting policy, transaction value, and opinion of the Board of Directors regarding such transaction, are also expressed in the annual report and in form 56-1.

The trend of future connected transaction of the Company is still similar to the precedent years, provided that in 2014, there are office lease in Maleenont Tower, copyright acquisition in Thai drama of Thailand Colour Television Channel 3, production in Thai TV drama of Thailand Colour Television Channel 3, and car park service fee in Maleenont Tower.

- Internal Control System and Internal Audit: The Board of Directors establishes Internal Audit Department to conduct internal audit and develop internal control system, which such department must be independent to operate and directly report to the Audit Committee.

The Board of Directors has established clearly and measurable objectives with business 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. The Internal Audit Department shall have its duty in monitoring the operation of internal control system to be proceeded by the designated policy, and report to the Board of Director. Furthermore, the Internal Audit Department shall prepare evaluation in internal control system and introduce to the Audit Committee and the Board of Director annually. At the latest, Audit Committee introduced to the Board of Director the evaluation report at the Board of Directors' meeting No. 1/2015, held on 26 February 2015, stating 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.

- Financial Statement Audit: such audit shall be performed by licensed auditor which shall monitor internal financial audit to stipulate monitor guidelines, timeline, and scope of the operation. In 2014, the auditor found no material issue that potentially leading to the improvement in internal control system.
- Risk Management: The Company always take into consideration of the Company's risk or potential risk and analysis the probability that such risks could affect the Company. The Company's management will conduct a meeting to consult on the risk from economic condition, competition, including seeking for a solution to manage such risks. In 2014, the Company found no risk that could affect the Company materially.

The Company realizes to the significant of business operation under good corporate governance principle, and prioritize to the liability and non-bias principle toward every relevant party, for instance, establish a clear structure, liability, independence of the Board of Director, transparent disclosure, strict monitor and risk management system, to increase confidence and add value to the Shareholders. The Company has disclosed such information through various channels such as annual report, form 56-1, SET's website, Company's website to facilitate every stakeholder to access such information easily through various channels.

Moreover, the Company also open for every stakeholders to suggest their opinions through letter, or email to Investor Relations, which such suggestions will be gathered and screened before report to the Executive Committee and the Company' Board of Directors.

The Board of Directors realizes to the significant of good corporate governance to have transparent business operation, increase competitive capacity, and increase confidence to every shareholders, stakeholders, and relevant persons, therefore, supportive corporate governance policy has been established to cover the following material issues:

- Provide fair and equal treatment to every shareholders and stakeholders;
- The Board of Directors determines to create add value to the business in long term principle, managing business with due careful, responsible and operate business with efficiency for the utmost benefit of every shareholders, prevent the occurrence of conflict of interest, and responsible to his/her act and decision.
- Operate with transparency, verifiable, with adequate information disclosure to every relevant persons.
- The Company also prepare business ethics manual for all directors, executives and employees to follow strictly as guidelines since April 2003, which subjected to any amendment to match with the current situation, current Company's condition, economic and society, and to comply with the additional regulation as set by SET or other monitoring organization. Such manual has its core concerning in business ethics, operation guidelines for the Company's Board of Directors, executives, company secretary, employees, policy and guidelines treatment to stakeholders, non-violation on human right policy, security policy, occupational health and safety environment policy, monitoring on policy compliance, complaint, disciplinary action and penalty, and communicate to have the Board of Directors, executives, and employee to acknowledge the content. The business ethics manual is produced in booklet and distributed to every stakeholder and have them to sign and commit to comply with such business ethics.
- The Company was evaluated in 2014 corporate governance of listed company by Thai Institute of Director under the support from SET and SEC, which the Company was given "Good" level same as year 2013 and 2012.
- The Company was ranked in "Very Good" level for Annual General Meeting Arrangement of 2014, which the evaluation is made by Thai Investor Association same as year 2013 and 2012.
- The Company has complied with good corporate governance principles for the listed company year 2012, which is in accordance with the guidelines of SET which divide into 5 parts:

- Part 1: The Rights of Shareholders;
- Part 2: The Equitable Treatment of Shareholders;
- Part 3: The Role of Stakeholders;
- Part 4 : Disclosure and transparency;
- Part 5: The Responsibilities of the Board of Directors.

Part 1: The Rights of Shareholders

The Company has its policy to facilitate every shareholders including institutional investor to be entitled to all basic rights, for instance, the right to buy, sell, or transfer their own shares freely, 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 to 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 basic rights 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.
3. Every shareholder is entitled to propose agenda of the meeting, nominate person to hold the director office, and submit the question prior to the meeting date which the Company has notified timeline to accept the question through channel of SET and the Company's website.

In 2014, the Company encourages shareholders to participate in the shareholders' meeting by entitle them to propose the agenda they view essential to be the agendas of the 2014 shareholder's meeting, nominate potential, capable, with adequate qualification persons to hold the director office, including submitting the questions prior to the 2014 AGM, which encourage shareholders to submit their questions through the Company's website (www.wave-groups.com) within 30 September 2014 to 31 December 2014. However, there is no shareholder propose any agenda, or nominate any person to hold the office of director, or submit any question within such designated period.

4. 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.

5. Before the starting of the meeting, Chairman of the meeting will clearly declare 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.
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 nominated persons exceeded the number of directors required, each nominated persons is then elected individually. The shareholders are entitled to propose the name of an individual for the office of the Company's director freely.
7. In the annual general meeting, to vote in any agenda, the Company will collect vote card of shareholders who are disagree or no vote to support the voting result in each agenda, which is verifiable by shareholders.
The Company appointed Hunton & Williams (Thailand) Limited to act as intermediary in the annual general meeting 2014 to carry on the meeting with transparency, complete, in compliance with the regulation and articles of association, and verify the voting throughout the meeting.
8. 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 of Directors. Significant questions and answers as well as suggestion are recorded in the minute of the meeting.
9. 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.
10. The agenda concerning remuneration of the directors, information regarding the amount and type of compensation each director will receive, comprised of fix remuneration and meeting fee, are disclosed to the shareholders. In any case of changing in amount of remuneration, such change must be approved from the Shareholders' meeting.
11. The company secretary is responsible to prepare and keep the minutes of meeting, reviewed by the Board of Directors in the next meeting. 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.

Part 2: The Equitable Treatment of Shareholders

The Company's Board of Directors has its policy to provide 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 which shall manage each issue adequately for example, suggestion which relate to the overall interest of stakeholders or affect the business operation of the Company, independent directors shall then introduce such suggestion to the shareholder's meeting to consider including it as agenda of the meeting. In case of compliant, independent directors shall investigate facts and find adequate solution, and minority shareholders shall be able to authorize one of the independent directors as their proxy to attend shareholders' meeting to protect their rights.

In 2014, the minority shareholders did not propose any suggestion to be included in the agenda of the meeting, nominate any person to hold the office of director, submit prior questions, or compliant. The 2014 shareholder's meeting was carried by agendas as designated in the invitation letter with no additional agenda being added without prior notify to the shareholders. In the appointment of directors agenda, the votes have been made individually which directors and executives have disclose information to the Board of Directors about conflict of interest both themselves and relatives to the Board of Directors since the nomination to the Company. In addition, the Board of Directors had set the report on shares holding by the directors 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) of relevant persons which are the Board of Directors, executive directors, management and personnel working in the related department (including their spouses and minor children). Such persons shall carefully adhere to the usage of any internal information that could affect the price of the securities, such as business operation information, business negotiation information, other information which the Company shall publicly declare for the purpose of sell-purchase of the Company's securities. By using unpublished internal information or private information, or publish to the third party, or conduct any action leading to the conflict of interest, especially within 30 days prior to the public declare of such information, and within 3-5 days after the publication.

In addition, there is also policy governing directors and high ranking executives (including their spouses and minor children), to declare the acquisition of Company's shares 1 day prior to the date of acquisition, by declare to the Board of Directors or authorized person, or company secretary.

3. As for the shareholders' meeting, the Company sends the proxy forms which the shareholder can control the voting direction in accordance with the form as prescribed by the Ministry of Commerce, along with the notice of the meeting. 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.

Part 3: Roles of Stakeholders

The Board of Directors conducts business with transparency to ensure mutual and sustainable benefits to all stakeholders. Corporate administration and operations ensure that the Company protects the right of stakeholders as required by the law. Wave Group has set the following considerations to the various group of stakeholders as part of its good corporate governance.

▪ Shareholder

The Board of Directors had designated investors relation team to be responsible for providing equal and fair treatment to shareholders and investors as required by the law and the Company's articles of association such as right to request a determination of the number of shares, the right to receive share certificates, the right to attend the shareholders' meetings, the right to vote and freely express opinion at the meetings, and the right to receive an appropriate return. The Company gives shareholders the right, as owner of the company, to make suggestions and recommendations on the Company's affairs to the independent directors. Each 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.

▪ Customer

The Board of Directors places great importance on customers and ensures that commercial terms given to customers are fair and accepted standards. The Company aims to provide customers with products or services with maximum benefits in respect of both quality and price. The Company makes on-time delivery of its products or services. To attain highest customers' satisfaction and build a long-term relationship with customers, it has a policy to keep confidentiality of customers and designates a unit responsible for providing customers recommendations on products and services and taking suggestions from customers.

▪ Employee

The Board of Directors believes that employees are the most valuable assets. Thus, the human resources department has been assigned to tasks such as determining suitable employees' remuneration, fair and equal treatment for all employees, encouraging of employees to develop their skills, promoting a good and safe work environment and organizing other basic welfare and benefits such as group insurance and provident fund.

▪ Supplier and/or Creditor

The Board of Directors will not conduct business or transact with suppliers and/or creditors who will impair the Company's reputation or conduct illegal activities. The Company ensures fair treatment and mutual benefits with suppliers and/or creditors, engages in fair selection processes, and strictly complies with terms and conditions of commercial agreements. In case the Company could not comply with any condition, it will negotiate with supplier and/or creditor to find solutions.

▪ **Competitor**

The Board of Directors operates the business by the rules and does not harm reputation of competitors with fault accusation. It does not attempt to obtain confidential information of any competitor with unlawful or inappropriate method.

▪ **Society and Community**

The Company believes in the importance of social responsibility. The Company's products and services have no damaging effects to the society. For instance, its television programs neither have inappropriate nor violent content. The programs are entertaining and share valuable viewpoints such as "Jud Nat Phop". The Company supports activities of the community and their consequences on the society beyond that required by the law and promotes social responsibility to the community.

The Company conducts business which are beneficial to economy and society and shows proper respect towards local culture and traditions of the country in which its office is situated or it conducts business transactions and abides by the relevant local laws and regulations. It constantly strives for improvement of social welfare both on its own and joint efforts with the state or the community.

▪ **Human Right**

The Company upholds and complies with human rights principles and laws. Overall, the Company abides by the following human rights principles:

Human rights

- The Company shows proper respects towards rights of each individual whom it interacts in conducting business and shall not perform or promote any human rights violation activity.

Work environment

- The Company treats all employees equally and does not promote discrimination, whether directly or indirectly, including race, gender, age, disability, religion, and expression of political opinion or other opinion.
- The Company provides appropriate entitlements, benefits, and welfare to all employees.
- The Company has set procedures for filing of complaint and complaint resolution.
- In case there is any violation of regulations by employees, the Company shall hold disciplinary investigations and take appropriate disciplinary actions as appropriate.

▪ **Safety, Occupational Health, and Environment**

The Company conduct its business in accordance with the highest standard measures of occupational health and safety environment. Set out below are guidelines on occupational health and safety environment measures.

- The Company shall comply with local laws and regulations relating to occupational health and safety environment of the country in which it conducts business transactions.
- The Company shall comply with standards to ensure occupational health and safety within work environment for all employees.

- The Company shall educate and provide training to employees on occupational health and safety environment at every level, including promoting compliance with standard environmental protection measures as required by industrial laws.
- The Company shall disclose truthful information relating to occupational health and safety environment.

The Company ensures that the work environment is safe for life and property of employees, customers, and those who contact the Company and examines and rectifies its safety system by planning and giving training of fire protection system to employees on a yearly basis. It implements environmental campaigns including promoting lower usage of paper by using both sides of the paper and using electronic emails in replacement, turning off the office's lights during lunch break, setting air-conditioner temperature at 25 degrees Celsius, and using of LED lights.

In 2014, the Company found no record of accidents, leaves or sick leaves.

▪ **Conflict of Interest Policy**

The Board of Directors puts great importance on activities which may cause conflict of interests and connected transactions. Guidelines for directors, executives, management and employees are as follows:

- avoid entry into connected transactions with himself/herself which may cause conflicts of interest against the Company;
- if entry into such transaction is necessary, the Company's interest shall be considered as if the transaction was conducted with a third party. The director, executive, management, employee or person with interest in such transaction shall not take parts in approving the transaction;
- if such transaction is connected transaction under the Notifications of the Stock Exchange of Thailand, the Company shall strictly comply with rules, methods, and information disclosure of connected transaction;
- in case directors, executives, management, and employees or their family participates or holds shares in competing business or other activities which may cause conflicts of interest against the Company, such person shall notify the board meeting in writing;
- if directors, executives, management or employees become director, partner or counsel in other company or business organization, such holding of position must not be in conflict with the Company's interest and his/her direct duties in the Company.

▪ **Code of Conduct – Intellectual Property**

The Board of Directors requires that the Company's directors, management, working team, and employees must be cautious on the use of intellectual property and must respect the rights of intellectual property owners.

In this respect, the Company provides the following channel to shareholders and stakeholders for filing of information or complaints in relation to violations of the laws or code of ethics of the Company and submission of enquiries regarding the Company's financial statements or internal control system to audit committee who are independent directors:

Electronic mail: audit@wave-groups.com
Post: To Audit Committee
Wave Entertainment Public Company Limited
15th Floor, Maleenont Tower
No. 3199, Rama IV Road, Klongton, Klongtoei, Bangkok 10110

The secretary of the Audit Committee is responsible to summarize the issues and proposes to the Audit Committee for investigation prior to being reported to the Board of Directors. The Company has a policy to protect providers of information or suggestions or recommendations and keeps the providers' information confidential. In 2014, no issue or complaint was filed to the Audit Committee.

Part 4: Information Disclosure and Transparency

The Board of Directors places importance on information disclosure as it affects decision making of shareholders and stakeholders. The Board of Directors has a duty to disclose both financial and non-financial in Thai and English via SET Community Portal of the Stock Exchange of Thailand as required by the laws and ensures accuracy, adequacy, reliability and timeliness in disclosing information.

The Company's directors and Chief Executive Officer (CEO) or any designated person are responsible for disclosing information of the Company. In addition, the Company's investor relations unit is responsible for communicating with investors, shareholders, analysts and governmental agencies with fair and equal treatments. If any shareholder requires additional information, he/she may contact Investor Relations Unit, Wave Entertainment Public Company Limited, No. 3199, Rama IV Road, Klongton, Klongtoei, Bangkok 10110 or via email at ir@wave-groups.com or via website at www.wave-groups.com. The Company discloses its information according to Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) and other information in accordance with rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission or as required by the relevant laws and regulations including:

- Prepare a statement of the Board of Directors' responsibilities in the preparation of the financial statements along with the auditor's report.
- The Company's directors and executives must disclose information regarding any interest of himself/herself or his/her related person which might cause a conflict of interest against the Company.
- The Company's operating structure, which clearly represents its investment in associated companies and subsidiaries, must be disclosed.
- Remuneration of each member of the Board of Director in his/her position as director must be disclosed.
- Remuneration of each director of the Company's subsidiaries must be disclosed.
- Policy on determining remuneration of directors, including types and amount of which each director is entitled, must be disclosed.
- Information relating to performance of duties by the Board of Directors and sub-committees, including the number of meetings attended by each director, must be disclosed.

- Social and environmental protection policy and compliance with such policy must be disclosed.
- Report on corporate governance policy and compliance with such policy must be disclosed.

Part 5: Responsibility of the Board of Directors

The Board of Directors consists of directors with capabilities who work with the Company's executives in setting the Company's policies, short-term and long-term business plans, financial planning, risk management, and overall image of the organization. They have critical roles in supervising, examining, and evaluating performance of the Company and its executives to be in line with the business plan.

1. Board Composition

The Board of Directors consists of:

- 1) The number of members of the Board of Directors must be appropriate for the size of business of the Company. The Board of Directors is comprised of no less than 5 members as required by the law no more than 12 members. At least half of the Board of Directors must be domiciled in Thailand and one non-executive director must have experience in the Company's business.
- 2) The Board of Directors must consist of one-third of the members of the Board of Directors and no less than 3 independent directors.
- 3) The Board of Directors must consist of non-executive directors to perform duties and create balance between executive directors and non-executive directors and at least one-thirds of the member of the Board of Directors must be independent directors.

Structure of the Board of Directors as of 31 December 2014 consists of 11 members with qualifications and experience in various expertise which is beneficial to the Company's business operation:

- | | |
|---|-------------|
| • Executive director | 2 directors |
| • Non-executive and independent directors | 5 directors |
| • Non-executive directors | 4 directors |

The Board of Directors consists of 5 sub-committees, namely the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Investment Committee, which are responsible for proposing relevant matters to the Board of Directors for consideration or acknowledgement or approval. This is to give confidence to shareholders that the Company follows strict procedures in operating its business.

In addition, the Company appointed one Company Secretary as required by the laws. The Company Secretary's duties can be summarized as follows:

- coordinates and manages the convening of board meetings, sub-committee meetings, and shareholders' meeting.
- prepares and stores relevant documents and reports.

- gives preliminary advice to the Board of Directors and executives on the laws and regulations relating to the Company's business to perform their duties.
- coordinates for implementation of resolutions of the board meetings and shareholders' meetings.
- performs any acts as required by the Securities and Exchange Act, the Public Company Act, notifications and regulations of the Capital Market Supervisory Board, and other relevant laws and regulations.

2. Qualifications of the Board of Directors

The minimum qualification criteria of each of the Company's directors are:

- 1) has suitable qualifications without any characteristic which is prohibited by the Public Company Act or other relevant laws, rules and regulations of the Stock Exchange of Thailand and the Office of the Security and Exchange Commission and the Company's Articles of Association;
- 2) has knowledge and capabilities beneficial to the Company's business operations and has good track records of work experience;
- 3) has leadership, vision, and is independent in his/her decision-making to ensure utmost benefits to the Company and its shareholders;
- 4) is interested in the Company's business and sufficiently devotes time to the Company; and
- 5) performs his/her duties with honesty, ethics and in compliance with the laws and good corporate governance and code of ethics.

3. Term of Directorship

Term of directorship shall be in accordance with the Company's Articles of Association. At every annual general meeting of shareholders, one-third of the members of the Board of Directors shall retire by rotation. If the number of directors is not a multiple of three, the number nearest to one-third shall retire from office. A retiring director may be nominated to the meeting for re-election.

In addition, each independent director may hold the position of independent director for no more than a maximum of nine consecutive years or three consecutive terms.

4. Duties and responsibilities of the Board of Directors and Management

- 1) Segregation of duties of the Chairman of the Board of Directors and the Chief Executive Officer

The Company's Chairman of the Board of Directors and Chief Executive Officer are the same person. In order to balance such authorities, the Board of Directors has set appropriate composition of the Board of Directors by clearly separating duties and responsibilities of the Chairman of the Board of Directors from those of the Chief Executive Officer. Each act of the Company shall be in accordance with the authorization matrix of the Company and approved by the Board of Directors.

All directors must be independent in expressing his/her opinion towards the Company's business operation with honesty to protect interests of the Company and its stakeholders. The directors are obligated to perform their duties in accordance with the laws, the Articles of Association of the Company, and resolutions of the Board of Directors' meetings and the shareholders' meetings.

2) Duties and responsibilities of the Board of Directors and Management

Duties and responsibilities of the Chairman of the Board of Directors

- Ensures that the Board of Directors carry out its duties efficiently.
- Ensures that all directors obtain all important information in timely manner for discussion of each agenda during the meetings.
- Encourages the directors to enter into discussion and raise questions and opinion on issues identified during the meetings.
- Promotes respectable relationship among directors, the Board of Directors and the management.
- Ensures that the Company has effective communication with shareholders.

Duties and responsibilities of the Board of Directors

1. Under the laws, the Board of Directors has fiduciary duty to conduct the Company's business operation in the way that provides utmost benefits to the shareholders. The Board of Directors comply with four important principles:

- 1.1. perform its duties with care (Duty of Care)
- 1.2. perform its duties with honesty and protect benefits of the Company and shareholders (Duty of Loyalty)
- 1.3. comply with the laws, objectives, Articles of Association and resolutions of the shareholders' meeting (Duty of Obedience)
- 1.4. disclose accurate and complete information with transparency to shareholders (Duty of Disclosure)

In addition, the Board of Directors shall comply with good corporate governance principles and policies as directors of listed companies in accordance with the Principle of Good Corporate Governance of the Stock Exchange of Thailand and the Securities Exchange Commission.

2. The authorized signatories of the Company is two Group A. directors (Mr. Matthew Kichodhan and Ms. Cathleen Maleenont) can jointly sign with the Company's seal affixed to bind the Company, except for certain circumstances as prescribed under the Articles of Association of the Company, either one of those Group A. directors can jointly sign with any one of Group B. directors (Ms. Piyawadee Maleenont and Mr. Tee Seeumpornroj) and the Company's seal affixed to bind the Company.

3. The Board of Directors shall set vision, mission, strategy, and business policies for the utmost benefits of shareholders.
4. The Board of Directors shall ensure that the Company's business plan gives it a competitive advantage over competitors in both local and international markets.
5. The Board of Directors shall follow up and evaluate performance of Wave Group and its high-level executives.
6. The Board of Directors shall monitor and develop risk management system including monitoring and development of corporate governance to ensure that the systems are of accepted standard.
7. The Board of Directors shall not conduct any act which competes with the interests of the Company and causes conflict against the Company.
8. The Board of Directors shall manage the Company with honesty, care and in accordance with the laws, objectives and the Articles of Association of the Company, and resolutions of the shareholders' meetings.
9. The Board of Directors shall encourage employees at every levels to have work ethics by placing great importance on internal control and audit system to lower the risk of dishonesty and abuse of power and to protect any act which violates the laws.
10. The Board of Directors shall look after rights and interests of major and minority shareholders, being transparent in performing its duties, and disclosing correct and sufficient information. The performance of the Board of Directors shall be verifiable.
11. The directors shall attend both board meetings and shareholders' meetings, except in case of any unanticipated circumstance in which the director must inform the Chairman of the Board of Directors or the Secretary of the Board of Directors in advance.

In performing its duties, the Board of Directors may consult independent advisors or professional experts as required and necessary.

Duties and responsibilities of the Chief Executive Officer

The Chief Executive Officer has duties and responsibilities as assigned by the Board of Directors and shall consider risks exposed to the Company and manage it with honesty and care in accordance with business plan or budget approved by the Board of Directors to ensure utmost benefits of the Company, shareholders, and stakeholders. The duties and responsibilities of the Chief Executive Officer include:

1. operate and manage the Company on a daily basis;
2. employ, appoint, terminate, rotate, promote, demote, deduct salary or wage, take disciplinary actions against staffs and employees, and terminate employment of staffs and employees in accordance with regulations prescribed by the board meetings;
3. prepare and propose to the Board of Directors the business policies of the Company, including business plan and budget, for approval, and report to the Board of Directors progress in executing the plan and the budget quarterly in the board meetings;
4. operate in accordance with policies, plan, and budget approved by the Board of Directors;
5. exercise of power by the Chief Executive Officer shall not be permitted in case the Chief Executive Officer has interests in exercising the power or such exercise may cause conflict of interest against the Company.

The Company has set the authorization matrix in order to decentralize power, duties, decision-making, and instructions, including all instructions for cheque payment (of Baht 2,000 and above) shall be approved the authorized signatories of the Company.

Duties and responsibilities of the Company Secretary

The Board of Directors appointed one Company Secretary as required by the laws. Duties and responsibilities of the Company Secretary are to:

1. act as Company Secretary of the Company and coordinate the convening of board meetings and shareholders' meetings to be in accordance with principles of good corporate governance and in line with rules, regulations, Articles of Association, good practices, and other relevant laws such as the Securities and Exchange Act and the Public Company Act B.E. 2535 (1992) etc.
2. disclose information of the Company according to rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, and other relevant supervisory agency;
3. give preliminary advice on the laws, Articles of Association of the Company, and rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand including keeping up-to-date on new rules and regulations relevant to the Company;
4. prepare and store documents of the meetings and other relevant documents such as register of directors, notice to the board meetings, minutes of the board meetings, notice to the shareholders' meeting, minutes of shareholders' meeting, annual report, report on shareholding in the Company, and report on conflicts of interest by directors and executives etc.

5. look after activities of the Board of Directors to facilitate the directors in handling their duties efficiently and in accordance with the relevant laws, rules and regulations, ethics, principles of good corporate governance, Articles of Association of the Company, in order to ensure utmost benefits to the Company and shareholders;
6. coordinate the implementation of the resolutions of the Board of Directors' meetings and the shareholders' meetings;
7. perform any other duty as assigned by the Board of Directors.

5. Directorship in other companies

- 1) Policy on directorship in other listed companies.

The Company has established a policy that each director can hold the position of director in other listed companies, in aggregate of no more than 5 listed companies to ensure that each director can perform and devote time to his/her duties efficiently.

- 2) Policy on directorship in other companies of the Chief Executive Officer.

The Company has established a policy that the Chief Executive Officer can hold the position of director in other companies, in aggregate of no more than 5 companies (excluding subsidiaries and associated companies of the Company) to protect the benefits of the Company and ensure that such holding of directorship shall not affect performance of duties and responsibilities by the Chief Executive Officer.

6. Orientation and training for directors

- 1) Any new director must participate in the Company's orientation to acknowledge important and necessary information prior to commencing his/her term of directorship with the Company.
- 2) The Company will consistently support the directors to participate in trainings, as recommended by the Office of the Securities and Exchange Commission, organized by Thai Institute of Directors (IOD) such as Directors Accreditation Program (DAP), Directors Certification Program (DCP), and Audit Committee Program (ACP) etc. The majority of the Company's directors has completed such programs. In addition, The Company supports the directors, audit committee, management and Company Secretary, and other relevant personnel to participate in trainings. The Company Secretary is responsible for notifying interesting courses to such persons. The Company covers for training expenses to support the directors in handling their duties efficiently. The continuous development of the directors' knowledge is through various activities such as participation in training in Thailand and overseas, business trip overseas, and company visits etc.

Set out below is information relating to participation in programs recommended by the Securities and Exchange Commission and organized by Thai Institute of Directors.

Name of Directors	Courses				
	Directors Accreditation Program (DAP)	Directors Certification Program (DCP)	DCP Refresher Course (ReDCP)	Role of the Compensation Committee (RCC)	Role of the Nomination and Governance Committee (RNG)
1. Mr. Matthew Kichodhan	Class no. 57/2006	Class no. 95/2007			
2. Mr. Soonthorn Pokachaipat ¹	Class no. 48/2005				
3. Mrs. Tipawan Wuttisarn		Class no. 29/2003	Class no. 3/2006	Class no. 2/2007	
4. Mr. Somsak Phayapdacharchai	Class no. 49/2006				
5. Mr. Chansak Fuangfu	Class no. 9/2004				
6. Ms. Tracy Ann Maleenont	Class no. 61/2007				
7. Dr. Cathleen Maleenont	Class no. 9/2004	Class no. 150/2011			
8. Ms. Manida Zimmerman		Class no. 8/2011			Class no. 2/2012
9. Mr. Tee Seeumpornroj	Class no. 113/2014				

Remark:

¹ Mr. Soonthorn Pokachaipat resigned on 3 December 2014

The Company's policy is to support participation by directors in programs organized for them. Over 75% of members of the Board of Directors has participated in the abovementioned programs.

7. Annual Performance Evaluation

1) Performance evaluation of the Board of Directors

The Company has established a policy that the Board of Directors shall carry out annual performance evaluation on individual and collective basis, to be used as framework for evaluating performance of duties by the Board of Directors and reviewing comments on the Company's business operation and performance of duties by the Board of Directors during the past year. The evaluation results shall be proposed to the Board of Directors' Meeting for consideration and used to increase work efficiency.

2) Performance evaluation of the sub-committees

The Company has established a policy that performance of each sub-committees shall be evaluated on annual basis in order to review performance of duties by the sub-committees and comments relating to performance of duties by the sub-committees during the past year. The evaluation results shall be proposed to the Board of Directors' Meeting for consideration and used to increase work efficiency.

3) Performance evaluation of the Chief Executive Officer

The Board of Directors assigned the Nomination and Remuneration Committee to evaluate performance of the Chief Executive Officer on annual basis. The evaluation results shall be used as guideline in determining remuneration of the Chief Executive Officer and proposed to the Board of Directors' Meeting for acknowledgement and approval.

The Company has carried out annual performance evaluation, the results of which are as follows:

- Performance evaluation of individual director (Board Self-Assessment)

The Board Self-Assessment consists of six subjects as follows:

- 1) Composition and qualifications of the Board of Directors
- 2) Roles, responsibilities and duties of the Board of Directors
- 3) Board of Directors' meetings
- 4) Performance of duties by directors
- 5) Relationship with management
- 6) Self-development of directors and development of management

The criteria of Board Self-Assessment are categorized into five levels: 4 = Excellent / 3 = Good / 2 = Satisfactory / 1 = Unsatisfactory / 0 = Need Improvement

The results of Board Self-Assessment for 2014 is in good level (average score of 3.10)

- Performance evaluation of sub-committees

Each of the sub-committees has conducted self-assessment to review its performance and comments relating to its performance during the past year, the results of which can be used for improvement and increase work efficiency. The results of self-assessment of sub-committees for 2014 is in good level.

- Performance evaluation of the Chief Executive Officer

The Nomination and Remuneration Committee has evaluated performance of the Chief Executive Officer consisting of 9 subjects:

- 1) Leadership
- 2) Establishment of strategy
- 3) Implementation of strategy
- 4) Financial planning and operation
- 5) Relationship with Board of Directors
- 6) Relationship with third party
- 7) Management and relationship with personnel
- 8) Knowledge of products and services
- 9) Personal characteristics

The criteria of performance evaluation of the Chief Executive Officer are categorized into five levels: 4 = Excellent performance of the matter / 3 = Good performance of the matter / 2 = Satisfactory performance of the matter / 1 = Slight performance of the matter / 0 = No performance of the matter

The results of performance evaluation of the Chief Executive Officer is in good level (average score of 3.79)

8. Succession plan

The Board of Directors supports and places great importance on development of succession plan of Chief Executive Officer and/or high-level executives which is part of human resource planning strategy of the Company by planning or preparation of high-potential personnel. A succession plan is necessary in case such executives are unable to perform his/her duties or the positions are vacant to ensure versatility and business continuity of the Company.

8.2 Sub-committee

The Board of Directors established the sub-committees to review important operations effectively and with due care. Each sub-committee shall hold meeting and report results to the Board of Directors for consideration or acknowledgement or approval (as the case may be) on a regular basis and to shareholders by including the Audit Committee's activities in the annual report, which shall support overall business operation of the Company to accomplish its objectives and in line with good corporate governance. There are 4 sub-committees as follows:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Risk Management Committee
- 4) Investment Committee

1) Audit Committee

The Audit Committee consists of at least 3 independent directors, for which Mrs. Tipawan Wuttisarn acts as Chairman of the Audit Committee. She has the expertise and experience in reviewing financial statements. The duties of the Audit Committee 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 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 entitled to seek advice from independent consultants including auditors, advisors, and legal and accounting experts as necessary.

As of 31 December 2014, the Audit Committee comprises of:

Name	Position	Status
1. Mrs. Tipawan Wuttisarn	Chairman of the Audit Committee	Independent director
2. Mr. Somsak Phayabdechachai	Member of the Audit Committee	Independent director
3. M.L. Nalinee Hastintra	Member of the Audit Committee	Independent director
Mr. Parinya Sutthiyong	Secretary of the Audit Committee	

Audit Committee's term of office

The term of office of the Audit Committee is 3-year term of office. As of 31 December 2014, the present Audit Committee had reached the end of the term and was re-appointed to hold the position for another term. However, the Board of Directors has set an additional condition of the policy that independent director will lack independency once he/she has held the position in the office for 9 years or 3 consecutive terms.

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has the following duties and responsibilities:

1. To review the Company's financial statements and related financial reports to ensure that they are accurate and adequately disclosed;
2. To review and ensure that the Company and its subsidiaries have suitable and efficient internal control system and internal audit system, to consider whether qualifications, experience and training of chief of internal audit unit is suitable for holding such the position, to determine the internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of internal audit;
3. To review the Company's compliance with the laws on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the Company's business;
4. To consider capabilities and independence of an external auditor and propose for approval of appointment of the Company's auditor and the audit fee, including dismissal of the Company's auditor;
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 Stock of Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare an audit committee report and include it in the Company's annual report, which must be signed by the Chairman of the Audit Committee. The report must consist of at least the following information:
 - (6.1) an opinion on accuracy, completeness and reliability of the Company's financial statements;
 - (6.2) an opinion on adequacy of the Company's internal control system;
 - (6.3) an opinion on the Company's compliance with laws on securities and exchange, regulations of the Stock Exchange, or the laws relating to the Company's business;
 - (6.4) an opinion on suitability of the external auditor;
 - (6.5) an opinion on 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 which the Audit Committee obtains when performing its duties as specified in the audit committee charter;
 - (6.8) other transactions which the Audit Committee opines that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the Board of Directors.

7. To arrange the Audit Committee meetings of at least 4 times per year in order to present the audit committee reports to the Board of Directors, as well as to approve the appointment of appropriate person as the Secretary of Audit Committee.
8. To inspect any suspicious circumstance without delay whenever being informed of the fact by the auditor and shall report the result of preliminary inspection to the Office of Securities and Exchange Commission (SEC) and the auditor within 30 days after being notified by the auditor. 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 dishonesty, fraud, embezzlement and concealment, etc.
9. To report the transactions or any acts which may materially affect the Company's financial conditions and operation results to the 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) transactions which cause conflicts of interest;
 - (9.2) fraud or irregularity or significant failure of internal control system;
 - (9.3) violation of the laws on securities and exchange, the regulation of the Stock Exchange or the laws relating to the Company's business.

If the Board of Directors or management fails to make a rectification within such period of time, any member of the Audit Committee may report 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.

2) **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of at least 3 directors. At least half of the members of the committee must be independent directors and one of the independent directors shall be the Chairman of the Nomination and Remuneration Committee. The committee is responsible for the nomination of persons qualified as directors to replace those who are retired by rotation or resigned for any other reasons. The committee also set guidelines and criteria in determining fair and reasonable remuneration for directors, sub-committees, Chief Executive Officer and propose the remuneration to the board meetings and/or shareholders' meeting for approval. In addition, the committee is responsible for (i) filling in vacancies, appointment, removing, and transferring of high-level executives, (ii) determining budget for increase of remuneration, (iii) changing salaries, bonus, and all types of remuneration for high-level executives, prior to proposing to the Board of Directors for approvals. No director candidate was proposed by minority shareholders in 2014.

As of 31 December 2014, the Nomination and Remuneration Committee comprises of:

Name	Position	Status
1. Ms. Manida Zimmerman ¹	Chairman of the Nomination and Remuneration Committee	Non-executive director
2. M.L. Nalinee Hastintra	Member of the Nomination and Remuneration Committee	Independent director
3. Mr. Tee Seeumpornroj ¹	Member of the Nomination and Remuneration Committee	Non-executive director
Ms. Suntree Arayasomboon ²	Secretary of the Nomination and Remuneration Committee	

Remark

¹ Appointed on 3 December 2014

² Appointed on 14 May 2014

Scope of duties and responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the following duties and responsibilities:

1. To select appropriate candidates to be appointed as new directors or Chief Executive Officer and to propose nominations to the Board of Directors' meeting and/or the shareholders' meeting for approval.
2. To set guidelines and criteria in determining fair and reasonable remuneration for directors, sub committees, managing director and management and propose the remuneration to the board meetings and/or shareholders' meeting for approval.
3. To consider appointment, relief, determining budget for increase of remuneration, changing salary and all types of remuneration and bonus of high-level executives before proposing to the Board of Directors' meetings for approval.

3) Risk Management Committee

The Risk Management Committee as of 31 December 2014 consists of:

Name	Position	Status
1. Dr. Cathleen Maleenont ¹	Chairman of Risk Management Committee	Non-executive director
2. Ms. Piyawadee Maleenont	Member of Risk Management Committee	Executive director
3. Mr. Tee Seeumpornroj ¹	Member of Risk Management Committee	Non-executive director
4. Mr. Philipp O. Piaz ¹	Member of Risk Management Committee	Independent director
Mr. Parinya Sutthiyong	Secretary of Risk Management Committee	

Remark:

¹ Appointed on 3 December 2014

Scope of duties and responsibilities of the Risk Management Committee

The Risk Management Committee has the scope of duties and responsibilities and report to the Board of Directors as follows:

1. To determine the overall risk management policy to subsequently propose the Board of Directors of which it covers all potential risks which may arise from internal and external risks including strategic risks, financial risks, operation risks, non-legal and regulation's compliance risks and any other risks that could potentially affect company's business.
2. To determine enterprise risk management framework
3. To supervise operation to comply with risk management procedure
4. To follow up the performance to comply with strategy of internal divisions
5. To provide advice to the Board of Directors in respect of risk management
6. To acknowledge the outcome or progress of organization's risk management, business units divisions and otherwise

4) Investment Committee

The Investment Committee as of 31 December 2014 consists of:

	Name	Position	Status
1.	Mr. Matthew Kichodhan	Chairman of Investment Committee	Executive Director
2.	Ms. Piyawadee Maleenont	Member of Investment Committee	Executive Director
3.	Mr. Tee Seeumpornroj ¹	Member of Investment Committee	Non-executive Director
	Mrs. Angkanee Rerksirisuk	Secretary of Investment Committee	

Remark:

¹ Mr. Tee Seeumpornroj is appointed on 3 December 2014

Scope of duties and responsibilities of the Investment Committee

The Scope of Investment Committee has the scope of duties and responsibilities and report to the Board of Directors as follows:

1. To determine overall investment policy to subsequently propose to the Board of Directors' approval
2. To determine enterprise investment framework
3. To determine investment guideline in respect of fund, debenture, financial instrument with rating from BBB+ above and investment in stocks on the Stock Exchange of Thailand to subsequently propose to the Board of Directors for approval
4. To supervise the operation to comply with investment procedure
5. To follow up the performance to comply with investment policy of internal divisions
6. To provide advice to the Board of Directors in respect of investment
7. To report the outcome of investment progress to the Board of Directors

8.3 Nomination and Appointment of Directors and Senior Managements

1) Independent Director

Independent Director's Definition

The nomination of independent director shall be considered by the Nomination and Remuneration Committee to subsequently propose the Board of Directors and Shareholders in accordance with the Company's procedure. However, the Company has rules in respect of the nomination of independent director of which it shall have qualification in accordance with the Notification of the Securities and Exchange Commission and the Stock Exchange of Thailand's rules as follows:

- (1) holding shares not exceeding 1% of the total number of shares with voting rights of the Company, including shares held by related persons of such independent director
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the mentioned status has ended at least 2 years but not including the case that such independent director used to be authorities and governmental counsel which is major shareholder or controlling of the Company
- (3) not being a person who is related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child of executive, major shareholder, controlling person
- (4) neither having nor used to have a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the mentioned relationship has ended at least 2 years
- (5) neither being nor used to be an auditor of the company and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, unless this relationship has ended at least 2 years
- (6) neither being nor used to be a provider of any professional services that include legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company and not being a significant shareholder, controlling person or partner of the provider of professional services, unless this relationship has ended not less than 2 years
- (7) not being a director who is appointed to be the representative of directors of the Company, major shareholder or shareholder that is related to major shareholder
- (8) not undertaking any business that has the same nature and in competition to the business of the company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares over 1% of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary

- (9) not having any other characteristics that may interfere with the expression of independent opinions regarding the company's business operations

After being appointed as independent director with the qualifications under (1) to (9), the independent director may be assigned by the Board of Directors to take part in the business decision of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision. In the case where the person appointed as independent director has or used to have a business relationship or provide professional services exceeding the value specified under (4) or (6), it shall be granted an exemption from such prohibition only if it has provided the opinion of the Company's board of directors indicating that the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders meeting under the agenda for the appointment of independent directors:

- (a) the business relationship or professional service which make such person's qualifications not in compliance with the prescribed rules;
- (b) the reason and necessity for maintaining or appointing such person as independent director; and
- (c) the opinion of the Board of Directors for proposing the appointment of such person as independent director.

2) Nomination and Appointment of Directors and Senior Management

- Nomination and appointment of director

The Board of Directors assigns the Nomination and Remuneration Committee to determine guideline and policy in respect of the nomination of director and director of sub-committee including to determine qualification of new director by using the board skill matrix to determine qualification of nominated director which consider from necessary skills that the Board of Directors does not have. The Company will concentrate with person who have knowledge, ability experience in various area such as professional skill, expertise, gender, good working background, leadership, vision and moral and ethics, including good attitude to organization, time to be devoted for benefits of the Company's business. In addition, it shall consider the qualification that is appropriate and in accordance with component and structure of director in accordance with the business strategy of the Company, transparent process to build the shareholders' confidence whereby it shall be considered by consideration of the Nomination and Remuneration Committee to subsequently propose to the Board of directors and shareholders for approval.

However, pursuant to the Company's Articles of Association, it requires that the Board of Directors shall consist of not less than 5 directors and upon the retirement by rotation, the nomination of director shall be approved by shareholders' meeting whereby such shareholders' meeting shall nominate director in accordance with the following guidelines and methods:

- (1) each of shareholders has 1 vote for each share
- (2) each shareholder may exercise the votes in electing 1 or more persons to be the directors

- (3) the person who obtains the highest votes will be elected as a director in respective order according to the required number of directors, but if two (2) or more persons obtain equal votes, the Chairman must exercise a casting vote

If there is any vacancy among directors other than a retirement by rotation, the Board of Directors may at its next meeting elect a person who is qualified and is not subject to any restriction imposed by the public company law to fill the vacancy, except where the remaining term of the vacant director is less than two (2) months. The term of a new director replacing a vacant director will equal to the remaining term of that vacant director.

The resolution of the Board of Directors as specified in the first paragraph must be passed by three-quarters (3/4) or more of the votes cast by the remaining directors.

- Nomination and remuneration of senior management

The Board of Directors determines guideline and policy to nominate and appoint senior management of the Company to comply with authorization level procedure and the Company's operation whereby such procedure shall be considered and approved by the Board of Directors.

3) Remuneration of Director, Sub-committee and Senior Management

- Remuneration of director and sub-committee

The Board of Directors assigns the Nomination and Remuneration to determine the remuneration of director and sub-committee as follows:

- (1) to determine guideline and policy to determine remuneration of the Board of Directors and sub-committee and subsequently propose the Board of Directors and shareholders for approval, as the case may be, of which it shall be considered and approved by taking into account with duties, responsibilities and compare with company in similar business and benefit to be received from director. However, it shall consider whether the remuneration is at appropriate and sufficient to attract and maintain qualified director.
- (2) to propose guideline and policy in respect of the determination of remuneration of director and sub-committee in each position whether in cash or non-cash for each year to the Board of Directors for consideration and to subsequently propose shareholders for approval

- Remuneration of Senior Management

The remuneration of senior management shall be in accordance with guideline and policy as determined by the Board of Directors which is linked to the Company's performance and management's performance whereby the Nomination and Remuneration Committee shall consider and propose appropriate remuneration to the Board of Directors for consideration and approval.

8.4 Governance of the Company and its subsidiary's operation

The Company has mechanism to govern the management and responsibility of subsidiary and associated company's operation to protect the Company's benefit in investment as follows:

- 1) to assign person as the Company's representative to be director, management or controlling person in subsidiary and associated company in accordance with shareholding ratio by nominating name and casting the vote to appoint person to be director of subsidiary and associated company. The Company will nominate list of candidates to the Board of Directors for approval whereby a person, who is appointed to be director of subsidiary and associated company shall be responsible for operation for the best benefit of such subsidiary and associated company and such person shall obtain the Board of Directors' approval before casting the vote in matter of which it shall be approved by the Company's Board of Directors. To nominate director as the representative in subsidiary and associated company shall be in line with the Company's shareholding ratio.
- 2) to determine the convening of senior management meeting every month to determine policy, strategy, guideline and follow up it in accordance with guideline in respect of determined strategy and the report on operating result, problem, barrier in order for the management to participate in the determination of the Company's significant policy in respect of business operation.
- 3) the Board of Directors to determine rule in respect of authorization level and business operation in connection with authorization level for governing subsidiary such as management, budget, investment, approval and approval of related party transaction
- 4) to assign internal audit unit to audit operation of subsidiary on continuous basis.
- 5) to control operation, expense, credit limit of disbursement, and to determine authorized person of disbursement which shall jointly sign to verify transaction, supporting documents and authorized person to approve transaction
- 6) to determine subsidiary and associated company to prepare annual report of which it shall be reviewed and updated budget to control business plan on continuous basis.
- 7) to monitor subsidiary and associated company to comply with relevant rules and regulations if compliance unit such as related party transaction, acquisition and disposition of asset, information disclosure that is sufficient and up-to-date including to monitor it to prepare accounting and financial report with accuracy and appropriate in accordance with relevant laws and general accounting standard

The Company does not enter into shareholder agreement with other shareholders in respect of management of subsidiary and associated company.

8.5 Confidentiality and Inside Information

The Company pays special attention on the usage of Company's inside information whereby it shall comply with relevant rules and regulations. The Company determines policy on the usage of confidential information and inside information in business ethic manual of which the Company determines director, management, operation unit and employee to emphasize with keeping confidential information in confidence and using of inside information such as inside information which is not disclosed to public domain or data that may impact the business operation or the Company's stock price in accordance with the following guidelines:

- 1) director, management, operation unit and employee shall not use the Company inside information to take any personal interest and competing with the Company's business or related business.
- 2) director, management, operation unit and employee of any department involving with data (including spouse and underage child) to be careful in using inside information that may affect the Company's stock price such as the Company's performance, commercial information or other information that the Company deems appropriate to disclose publicly for the Company's securities trading in term of using or disclosing to third party of inside information which is not publicly disclose or in confidential or taking any action that may lead to conflict of interest, especially 30 days before the disclosing of such information to public domain and during 3 to 5 days after such information is disclosed.
- 3) to procure director and senior management (including spouse and underage child) to report securities trading of the Company at least 1 day before trading day by informing the Board of Directors or any person authorized by the Board of Directors or the Company's secretary.
- 4) director, management, operation unit and employee shall not disclose any trade secret information to third party, especially the Company's competitor of which this restriction shall be applied to such director, management or employee after his or her retirement period.
- 5) Determine that the information shall be given only to the direct officer, for computer system section, private information and information which may affect the operation of the Company shall only be accessed by selected person through a private log in.

If the Company found that there is a use of internal information for personal and related person interest, the Company will take severe disciplinary action by dismissing such person.

In 2014, the Company found no report of directors and executives trading securities by the use of internal information.

8.6 Remuneration for Auditor

The Company and its subsidiaries have paid auditor fee to the PricewaterhouseCoopers ABAS Ltd. and AC Audit & Consult Ltd. for the period between 1 January 2014 to 31 December 2014, in total of Baht 1,530,000, details are as follows:

1) Audit Fees

	Company Names	Auditors	Audit Fee (Baht)
1	WAVE Entertainment PCL.	Mr. Kajonkiet Arunpairojanakul	440,000
2	WAVE TV Co., Ltd.	Mr. Kajonkiet Arunpairojanakul	350,000
3	WAVE Pictures Co., Ltd.	Mr. Kajonkiet Arunpairojanakul	20,000
4	WAVE Food Group Co., Ltd.	Mr. Kajonkiet Arunpairojanakul	10,000
5	CVD Organizer Co., Ltd.	Mr. Kajonkiet Arunpairojanakul	10,000
6	Efficient English Services Ltd.	Mr. Kajonkiet Arunpairojanakul	600,000
7	Jeffer Restaurant Co., Ltd	Sergeant Somporn Tiankrajang	100,000
Total			1,530,000

2) Non-audit fee

In 2014, the Company did not pay any non-audit fee to the audit firm which the auditor is registered.

8.7 Compliance to Policies of Good Corporate Governance in Other Affairs

1) Board of Directors' Meetings

The essential duty of the Company's Board of Director is to attend the directors' meeting regularly to acknowledge and jointly making decision in business operation of the Company, the policy and practical guidelines of the directors' meeting are as follows:

(1) Number and agenda of the meeting

The meeting shall be held at least every 3 months period (4 times annually), agenda of the meeting will be clearly designated prior to each meeting where extraordinary meeting may be convene to consider emergency issue.

The designation on the directors' meeting is designated as the agenda in the last meeting of the year to prior determine on the adequate date and time, so the director can make an arrangement at the early year.

(2) Quorum and meeting

In the directors' meeting, not less than half of all directors shall present to constitute the quorum.

In the directors' meeting, the chairman director shall act as the chairman of the meeting and encourage the directors to suggest their opinion freely. The resolution in the directors' meeting shall be decided by majority vote which each director is entitled to one vote, where the director who has conflict of interest shall not attend the meeting and/or not entitled to vote in such agenda, in case of tie vote, chairman of the meeting shall be entitled to another vote as a casting vote. Each meeting shall take approximately 2-3 hours, which is sufficient for the management to propose agendas, and for the directors to discuss material affairs with due care.

The Board of Director can directly request additional information from the CEO, or company secretary, and may invite CEO and other related persons in each affairs for the investigation, or giving facts to the meeting.

(3) Agendas of the meeting

The Chairman of the Board of Directors and Executive Committee shall jointly designate the agendas, which each director may propose other affairs as agenda of the meeting.

(4) Delivery of notice of the meeting

In each meeting, the Company shall deliver supportive documents 7 days prior to the meeting date, to provide sufficient time for the directors to study the affairs before the meeting.

(5) Minutes of meeting

At the end of the meeting, the company secretary shall prepare minutes of the meeting and introduce to the chairman of the Board of Director to certify correct, and introduce for approval in the first agenda of the next meeting. The director may suggest, amend, or add to correct the minutes of meeting.

The certified minutes of meeting shall be kept in hard copy along with the supportive documents of each agenda, which is prioritized as most confidential document and kept at the Corporate Finance which is the company secretary's office for ease reference.

(6) Non-executive directors' meeting

Non-executive directors may convene a meeting as they see necessary, to discuss affairs regarding management without the executive attending the meeting.

List of directors attending meetings of the Board of Directors and sub-committees in 2014

(Unit: no. of times)

Name of Director	Board of Directors (11 persons) total of 8 times/Year	Audit Committee (3 persons) total of 5 times/Year	Nomination and Remuneration Committee (3 persons) total of 3 times/Year	Risk Management Committee (4 persons) total of 3 times/Year	Annual General Meeting 2014 Date 25 April 2014
The Board of Directors					
1. Mr. Matthew Kichodhan	8/8				1
2. Mrs. Tipawan Wuttisarn	7/8	5/5		3/3	1
3. Mr. Somsak Phayapdacharchai	8/8	5/5			1
4. M. L. Nalineee Hastintra	8/8	5/5	3/3		1
5. Mr. Chansak Fuangfu	6/8				-
6. Ms. Tracy Ann Maleenont	4/8			3/3	-
7. Dr. Cathleen Maleenont	8/8		3/3	-	1
8. Ms. Piyawadee Maleenont	6/8			3/3	1
9. Ms. Manida Zimmerman	4/8		-	1/3	1
10. Mr. Tee Seeumpornroj	8/8		-	-	1
11. Mr. Philipp O. Piaz ¹	-			-	
Resigned Director					
1. Mr. Soonthorn Pokachaiyapat ²	3/8		1/3		1

Remark:

1. Appointed on 3 December 014

2. Resigned on 3 December 2014

2) **Business ethics**

In business operation, the Company not only prioritize to achieve the designated business goals, but also to the form and operation procedures that lead to business goal achievement. The Company hold on to ethical principle, including fairness and morality as a core of transaction and communicate with every stakeholders. The Board of Directors expect that the directors, executives, and every employee of the Company to acknowledge, commit and adopt such principles into their operation, to maintain good reputation of the Company and pride of the employee, which leads the Company to being a good corporate governance organization which will create confidence to shareholders, investor, and every stakeholders.

The Board of Directors have considered and approved “Business Ethics Manual Code of Conduct (Amendment) 2014” dated 3 December 2014, which is published on the Company’s website, the manual has its content covering the following issues:

(1) Business ethics

- | | |
|---|--|
| • Honesty | • Ethic |
| • Keeping one’s words and trustful | • Royalty |
| • Maintain professional | • Fairness |
| • Sympathy | • Respectful |
| • Compliance with the laws, regulation, and articles of association | • Excellent performance |
| • Leadership | • Reputation and pride |
| • Responsibility | • Human resources |
| • Conflict of interest policy | • Privacy data and internal information usage policy |
| • Company’s asset protection policy | • Policy regarding give and take present and consideration |
| • Intellectual Property ethics | • Anti-Bribery and Corruption policy |

(2) Operational guidelines

- Operational guideline for the Board of Directors, executives, company secretary, and employee.
- Policy and operational guidelines to each stakeholder which are shareholders, customers, employee, trading partner and/or debtor, trading competitors, and society.
- Non violation on human right policy.
- Security, occupational health and safety environment policy.

The Company have coordinated with the Board of Directors, executives, and employees to acknowledge the content by preparing business ethics manual in booklet and distributed to every stakeholders, including having them to sign and commit to comply with such business ethics.

The Board of Directors, executives, and employees must strictly adhere to the business ethics manual, any omission or violation shall be proceeded by the Company's articles of operation concerning consideration and punishment, and may subject to penalty if such act is considered illegal.

3) Anti-Bribery and Corruption ethic

The Board of Directors aims to operate business with honesty, transparency, and in accordance with good corporate governance principle. The Board of Directors opposes to all kind of corruption which realizes to its danger that could harm free and honest trade, and it also cause damage to the economic and social development.

The Board of Directors has considered and approved Anti-Bribery and Corruption policy dated 3 December 2014, and published it at the Company's website, it sets rules and guidelines to prevent the Company, employee, and other person (third party); whose operation related to the Company, from violate anti-corruption regulation. It also set monitor program to ensure compliance under this policy, rules and guidelines can be concluded as follows:

1. Directors, executive, and employee every level must commit with the anti-bribery and corruption policy, and must not involve in any corruption matter whether directly or indirectly.
2. Executives and employee must not ignore when witness any corruption which relate to the Company, and shall report to the supervisor, or responsible person, or report to any designated channel such as email: hotline@wave-groups.com, and cooperate in fact investigation. Any query should be directed to supervisor or designated person who responsible for monitoring on business ethics compliance.
3. Audit Committee has duty in monitoring on anti-bribery and corruption policy to ensure that the Company has operate and comply with the law and designated ethics, while Internal Audit has duty and responsibility in monitoring that the operation is proceeded in accordance with the policy, guidelines, authorization, regulation, laws and rules of monitoring organization to ensure that the control system is adequate and sufficient for potential risk that may occur.
4. The Company will protect those who notifies act of corruption in relation to the Company, in accordance with the Whistleblower Procedures of the Company.
5. A person who involved in act of corruption is considered violating business ethics of the Company, and therefore, subject to disciplinary action under articles of operation of the Company, and may subject to penalty if such act is considered illegal.

6. The Company realizes the significance of knowledge and understanding distribution to persons whose work related to the Company, or may affect the Company in matter that must comply with this anti-bribery and corruption policy. The Company has seminar and knowledge sharing program both inside and outside the Company to provide knowledge concerning anti-bribery and corruption policy to the employee.
7. To make any transaction with high risk of corruption more transparent, the Company gives advice and guidelines covering topics including political support, charity, subsidy, present, and service fee and other expenses, to the employee every level to operate with carefulness.

In 2014, the Company is in the process entering into Private Sector Collective Action Coalition Against Corruption (CAC).

4) Whistleblower Procedures

The Board of Directors has considered and approved Whistleblower Procedures policy, dated 3 December 2014, and published it at the Company's website, to encourage directors, executives, and employee to report or complaint any action which potentially may lead to unethical action, violation of laws, financial fraud, action that is illegal or breach the Company's policy.

The Company proceeds by the steps accordingly to protect those who reports corruption act. Such reporter shall not be intimidated by any unfair retaliation acts.

There was no complaint regarding misconduct in 2014.

5) Internal Control and Risk Management

(1) Internal Control

The Board of Directors prioritizes to internal control system, and establish the internal control system that covers financial matter, management, operation efficiency in compliance with the laws, rules, articles of association, and relevant regulations. In addition, the duty and liability, authorization level of officer and executive are also clearly record in written. Asset utilization is monitored, the duty of officer and evaluator are clearly separated for reasonably check and balance purpose. Furthermore, the Company also establish system that financial report must be submitted to the responsible department, and internal control system is subjected to annually evaluation.

(2) Internal Audit

The Board of Directors establishes internal audit department directed to Audit Committee and CEO, its duty is to monitor internal audit system of each sector, advise on establishment of internal audit system, risk management, corporate governance, and provide suggestion consistently. In order for the Board of Directors to follow the operation of the Company efficiency, and to ensure that main operation and financial activities of the Company and its subsidiaries are conducted effectively and in comply with the designated guidelines, achieve goals and objectives set by the management. Including, to ensure that the Company has complied with the laws, rules, articles of association, and relevant regulations.

For the internal audit department to be independent and able to fully perform check and balance, the Board of Directors, therefore, establish reporting line and supervising line directed to the Audit Committee, to implement audit plan, and propose suggestion to the Audit Committee and CEO consistently and in time.

(3) Risk Management

The Board of Directors prioritize to the procedures of risk management by take all potential risks; whether occur from internal or external factors, that may affect the Company into consideration. In order to minimize the risk to the acceptable level and adequate to the environment of each unit, the Board of Directors also set risk management as part of decision-making procedures, strategic planning, and Company's operation. The Company also encourage executives and employee in every level to participate in such procedures.

The Board of Directors has approved risk management policy as proposed by Risk Management Committee. In this regards, Risk Management Committee shall report significant risk that may affect business plan and strategic of the Company along with the suggestion to the Board of Directors. In addition, risk management policy shall be reviewed on a regular basis, and propose to the Board of Directors for approval.

The risk management policy is also posted on the Company's website and publicly published for the whole organization to acknowledge and realize the significance of risk management, and to be supporting information in decision-making of shareholders, investors, and stakeholders.

6) Relationship with Investors

The Board of Directors realizes that both financial and non-financial information of the Company affect decision-making by the investor and stakeholders, and therefore reiterate the management regarding sufficient information disclosure, accurate, transparent, trustful, consistently, in time, and unbiased to the shareholders and every stakeholders. The management of the Company always prioritize and strictly adhere to such principle, by disclose information through various SET and SEC channels, and through the Company's website.

In part of relation with investors, the Company has established Investor Relation sector to communicate with the institutional investors, shareholders, analyst, including compliance organization and relevant government sectors. Investor may contact and request for the Company's information by calling on 02-665-6705, or by email: address:ir@wave-groups.com, or via website: www.wave-groups.com

9. Corporate Social Responsibility

➤ Corporate Social Responsibility Overview of Corporate Social Responsibility Policy

Wave Group recognizes the importance of operating responsibly towards society, internal and external environment of the organization in order to comply with the its CSR vision in operating its business while ensuring the development of social and environmental sustainability. The Board of Directors has set a mission to guide the operation of the Company as follow:

Vision

The Company aims to be the leader in lifestyle & entertainment by focuses on improving its product quality and maintaining a unique identity in its effort to entertain and fulfil the lifestyles of the customers and consumers.

Mission

In order to achieve its goals and objectives in its management, the Company has set out the following missions:

- To constantly improve the products, services and entertainment business to satisfy the constantly changing demands of the customers and consumers.
- To recognize the need to improve the human resources of the Company to be skilled and efficient and ensure creativity and product improvement of the Company.
- To operate the business in accordance with good management principles.
- To further realize the importance of being socially responsible and therefore, support the Thai people to live a better quality life.

➤ Implementation and the preparation of report

Wave Group has disclosed Corporate Social Responsibility report within the annual report in accordance with social responsibility principles set by the Corporate Social Responsibility Institute of the Stock Exchange of Thailand.

Wave Group recognizes the importance of integrating the concept of social responsibility in its management strategy and commits to strengthen the social responsibility management system throughout the organization in order to create a sound corporate culture by routinely observing the principles across the board in business execution. Wave Group also commits to fair treatment of all stakeholders and to operate with best interest for the organization and with dedication, integrity, and transparency, along with making recommendations to improving our corporate governance policy to meet the constantly evolving standard of business management, social needs and international practices as follows.

Fairness in Operation:

Wave Group always operates with good corporate governance and operates with fairness to the parties involved as well as adhere to responsible to all parties for the mutual sustainability benefits.

Anti-corruption:

The Board of Directors is determined for the Company to operate honestly, with transparency and in pursuant to the principles of good corporate governance and implements anticorruption policy to combat the threat of corruption which obstructs free and fair competition and damage economic and social development.

The Board of Directors has considered and approved the "Anti-Bribe and Corruption Policy," on 3 December 2014, which is disclosed on the Company's website, and outlined the rules and principles of preventing the Company, the Company's employee and all other persons that are associated with the Company (including third persons) from violating the anticorruption law. It also outlined below how to check and manage to ensure that the policy is being followed:

- (1) The directors, executives and all employees must follow the anti-bribe and corruption policy and not to take any action that is associated with all forms of corruption whether direct or indirectly.

- (2) The directors, executives and employees must not neglect nor ignore any action that is associated with corruption in the Company and notify their supervisor or the responsibly person through various channels such as email at hotline@wave-groups.com and also to be cooperative in all procedures of fact verifications. If one have doubts or questions, then one may consult their supervisor or the person appointed to be responsible for the ethical behavior in the Company.
- (3) The Audit Committee has the duty and responsibility to administrate the anticorruption policy and laws to ensure that the Company is in pursuant of its legal and ethical duty. The internal auditor has the duty and responsibility to check and verify if the duty has been carried out in pursuant of the policy, principles, regulations and laws of the organization that are involved in the procedure to ensure that there is an appropriate system to counter any corruption that may occurred.
- (4) The Company shall protect those that refuse or notify any corruption that occurred within the Company as specified in the Company's Whistleblower Procedures.
- (5) Those who have committed an act of corruption are taken as an unethical behavior that must be considered for disciplinary action in pursuant of the Company's regulations and also subjected to punishment by law, if such act is illegal.
- (6) The Company values the important of extending the knowledge and understanding of all persons that are associated with the Company and could affect its anti-bribe and corruption policy. The Company provides training and courses in relation to anti-bribe and corruption policy to all employees.
- (7) For clarity on how to proceed in situations with high risks of corruption, the Company will advise the employees to be cautious in relation to political aid, donations, funds, gifts and other services and expenses.

In 2014, the Company is in the process of joining the private sector's Collective Action Coalition Against Corruption (CAC).

Respect for Human Rights:

The Board of Directors values and respect the law and human rights by ensuring that its business operations are such laws and human rights in the following policies:

Human Rights

- To recognize the dignity, privacy and rights of each individual that are associated with the Company and to carry out nor to encourage any action that may violate such human rights.

Working Environment

- To encourage the equality in employment and shall not, whether directly or indirectly, discrimination against race, skin color, gender, sex, age, disability, religion, political opinion or other comments.
- To provide for employees' benefits and privileges from the Company.
- To set up a procedure, method and system for employees to make complaint and to receive just solutions.
- In the case of a breach of rules or disciplines, there must be an investigation to consider for punishment.

Fair Treatment to Employee:

The Board of Directors has always values the human recourses of the Company in which the Board has assigned the Human Recourses department to be responsible for the employees in areas of: compensation, fair treatment, employee development, ensure for safe working environment, suitable environment for working, management of employees' benefits in pursuant of the labor law such as health insurance, group insurance or providence fund.

Customers and Consumers Responsibility:

The Board of Directors believes in the fair treatment of customers and consumers and ensure that all commercial conditions are fair by the commercial standard and the Company is determined to distribute its products and services with the following in mind:

- The quality and price of the products and services are in best interest of the customers and consumers;
- The products and services are delivered to the customers and consumers within the specified time;
- To prioritize the safety of the customers and have procedures to manage all activities which have risks such as a concert, in which the Company shall have appropriate plans to handle all volatile situations such as to ensure the appropriate deployment of staff to look after the safety and convenience of the attendees on site, coordinate between the customers and the insurance company in case of accidents or coordinate with a governmental service such as the police.
- To operate in the best interest of the customers and the consumers under the confidentiality policy for, to recommend for products and services and to receive complaints.

Environmental practices:

The Board of Directors is determined to operate within the occupational health and environment standards as follows:

- To follow the laws and regulations in safety in occupational health and environment of the local area of country that is operating in;
- To operate within the health and environmental standard with all employees;
- To support in the education and training of employees in health, safety and environment along with the procedures of the environmental protection under the industrial law; and
- To disclose all factual information in relation to the safety, occupational health and environmental areas of the Company's operations.

In the environment aspect, company always monitors the environment to ensure safety to life and property of staff, customers and visitors and inspects the protection system by planning and training of fire protection to employees annually. There is a campaign to use paper efficiently, using both sides of paper in the office, to use E-mail method in order to reduce paper use, to turn off light during lunch time, to set temperature of the air-con at 25 degrees Celsius and to switch to use LED lights in the office etc. And Company will monitor and evaluate the implementation annually.

In 2014, the Company has no incidents of accident or any employee taking leaves or sick leaves as a result of working.

Community and Social Development:

The Board of Directors realizes the importance of its responsibility to the community and society and the products and services of the Company are all things that the customers and consumers may use without any negative effects to the society. The television programmes produced are non-violent and does not require judgment to watch. Such programmes are entertaining but embedded with moral values such as the sitcom, "Jut Nat Phop" etc. and the Company has sent its artists as ambassadors to charities without compensation. The Company also supports the activities of the community and mindful of all the effects that our operation could have on the community than specified by the law.

The Board of Directors wishes to continue to operate in the way that is beneficial to the economy and society, values the importance of local tradition and culture and as a law-abiding citizen. We are determined to continue lifting the standard of the society through our operation and cooperation with the state and community.

➤ **Business operation that has impact on Social Responsibility**

None

➤ **Activities to benefit society and the environment**

Company joins the donation to the Social Foundation in various occasions. And within the Company has often organized environmental activities such as sorting rubbish, worthwhile use of paper, using electronic mail (e-mail) to reduce the use of paper and energy saving campaigns.

In 2004, Wave Group has donated money, educational equipment and sporting gear to Sub Tai School, Amphoe Pakchong, Ratchasima Province, for scholarship or educational equipment.



10. Internal Control and Risks Management

➤ Controlling System and Internal Audit

The Company's Board of Directors prioritize the internal control system in both management and operation levels, therefore, any duty, authorization power, and operation of officers and executives have been clearly determined in written, there is asset utilization management, the duties of officer, supervisors and evaluation are separated for an appropriate check and balance purpose.

Such internal audit shall be monitored by the Internal Audit Department, which has its duty in monitor to ensure that main operation and material financial activities of the Company have been efficiency proceed in accordance with the guidelines, laws and relevant regulations including, the appointment of Audit Committee to monitor and review the internal control system of the Company, and also hiring external auditors which are PricewaterhouseCoopers ABAS Ltd. and A.C. Audit & Consult Co., Ltd.¹

The operation of Internal Audit Department begins with the determination on Yearly Audit Plan, which the internal audit program will be introduced and informed to the relevant units, follow by the Preliminary Survey, determination of Audit Program and audit performance, respectively. When the audit is completed, the Internal Audit Department will prepare report with its suggestions to introduce to the executives and Audit Committee for acknowledgement. At the later stage, the monitor program will be conducted and the material documents will be kept as evidences. Internal Audit Department will evaluate internal audit system consistently through the year, which will rotate to each department in accordance with the Yearly Audit Plan.

In addition, for the Internal Audit Department to be independent and perform check and balance to its fully capacity, the Board of Directors, therefore, determine the internal audit department directly report to the Audit Committee, and appointment, rotate, and termination of the Head of Internal Audit of the Company must be approved (or obtain consent) from the Audit Committee.

➤ Assessment of Internal Control System

Pursuant to the Company's Board of Directors meeting No. 1/2015 held on February 26, 2015, which the Audit Committee also attend, the Board of Directors had considered the sufficiency of internal control system in accordance with the guidelines of SET, and has 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 business 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 may occur conflicts of interest against the Company benefit. 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 take into account with the Company's benefit in long term.

Note

¹ The subsidiary has acquired Jeffer Restaurant Co., Ltd. on 4 December 2014 whereby Audit and Consult Co., Ltd. as the auditor of the financial year 2014.

2) Risk Management

The Company's Board of Directors determine the risk management policy which shall be governed by the Risk Management Committee to monitor the risk of the Company within the to be in line with the goal and in the acceptable level. The management team of the Company shall attend the meeting to jointly consider on Strategic Risk, Financial Risk, Operational Risk, and Compliance Risk. There should also have evaluation on risk factors which may affect the business and goals of the Company, analysis to which circumstances are the cause of risk, planning and determine risk management policy, monitoring on risk management of each units in the organization which shall be in accordance with the Company's strategy.

The Risk Management Committee will report to the Company's Board of Directors regarding the risks which may affect to the business plan and strategy of the Company and its management policy, including reconsider on risk management policy on the regular basis and introduce to the Company's Board of Directors for approval. In addition, the Company also disclose its risk management policy on the Company's website for everyone in the organization to acknowledge and realize the importance of risk management, and as information supporting decision making of shareholders, public investors, and stakeholders.

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 incorrect operating result.

5) Monitoring System

The Company's Board of Directors has a regular monitoring system to ensure that all 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 of management team, and in case that the result is different from the set goals, the Company solve the problems in a timely manner, and provide internal audit system to act as a vital independent mechanism to perform compliance audit of the internal control system.

In auditing the Company's financial statement by the licensed auditor which audited the Company's internal financial system to determine investigation policy, timeline, and scope of the operation, the auditor founded that in 2014, there is no material issue to suggest the Company to improve its internal audit system.

➤ **Head of Internal Audit and Head of Compliance of the Company**

According to the Company's Board of Directors meeting No. 4/2012 held on August 1, 2012, Mr. Parinya Sutthiyong; Manager of Internal Audit Department and Assistant of Secretary of the Audit Committee, was appointed as the Head of Internal Audit of the Company from August 1, 2012, as he is experienced in internal audit operation of the Company's business and understanding in activities and operation of the Company, which the Company views that he is suitable and capable to hold such position.

The consideration and approval in appointment, rotate, and termination of the Head of Internal Audit of the Company must be approved (or obtain consent) from the Audit Committee, the qualification of the Head of Internal Audit is detailed in the Attachment No. 3, Annual Registration Statement (Form 56-1).

11. Transactions with persons who may have conflict of interests and related transactions

WAVE Group has a policy of entering into transactions with other persons, both presently and in the future, that is in line with the normal course of business of the Company and have been presented in the notes to the financial statements no. 28 and the Annual Disclosure Report (Form 56-1) having details as follows:

1) Services rendered by related parties

Company	Relationship	Related transactions	For the year ended 31 December 2014	Necessary & Reasonable
Related Parties		Sales and services income	Total amount 37.78 MB	
Bangkok Entertainment Co., Ltd.	A subsidiary of BEC World Public Company Limited, the Company's majority shareholders, holding 18% of the registered share capital	Income from copyright materials shown during television broadcasts. (derived in parallel with advertising expenses occurring during broadcastings by way of time sharing)	Amount of 35.64 MB	As such transactions generates profits, therefore, the Management considers the transactions to be reasonable and maximize value for the Company
BEC World Public Company Limited	The Company's majority shareholders, holding 18% of the registered share capital	Income from soundtrack service	Amount of 0.04 MB	As such transactions generates profits, therefore, the Management considers the transactions to be reasonable and maximize value for the Company
Rungsirojvanit Co., Ltd.	A subsidiary of BEC World Public Company Limited, the Company's majority shareholders, holding 18% of the registered share capital	Income from film royalties for broadcast video and audio media through television station. (Free TV)	Amount of 2.00 MB	As such transactions generates profits, therefore, the Management considers the transactions to be reasonable and maximize value for the Company
P.Prime Property Co., Ltd.	The member of management is a Director of the Company	Income from event planning services	Amount of 0.1 MB	Such services generates profits, therefore is reasonable and generates value for the Company

Pricing policy

The Sales and Services' pricing are in accordance with the general trade condition which is the same with condition to sell to non-related parties and market price.

2) Cost of sales and services rendered by related parties

Company	Relationship	Related transactions	For the year ended 31 December 2014	Necessary & Reasonable
		Cost of Sales	Total amount 0.008 MB	
Bangkok Television Co., Ltd.	A subsidiary of BEC World Public Company Limited. the Company's majority shareholders, holding 18% of registered share capital	Royalty expenses Limited	Amount of 0.008 MB	The Company purchases the royalties at standard market prices, the same prices that the Company purchases from other companies. Moreover, when the series are broadcasted on Thai TV Color Channel 3 and becomes popular, the sales and rental rate of the series are increased, therefore, the Management considers the transactions to be reasonable and maximizes the value for the Company
		Cost of rendering of services	Total amount 35.64 MB	
Bangkok Entertainment Co., Ltd.	A subsidiary of BEC World Public Company Limited. the Company's majority shareholders, holding 18% of registered share capital	Advertising expenses (derived in in parallel with income from film royalties broadcasted through television stations by way of timesharing)	Amount of 35.64 MB	As such transactions generates profits, therefore, the Management considers the transactions to be reasonable and maximize value for the Company
		Selling and administrative expenses	Total amount 7.27 MB	
Millionaire Property Fund by Maleenont Tower Co., Ltd.	Same majority shareholders as the Company	Rental, service expenses, water and electricity expenses, and other expenses.	Amount of 6.02 MB	Entering into such transactions is based on reasonable grounds, allowing for smooth and effective operations of the Company.

Company	Relationship	Related transactions	For the year ended 31 December 2014	Necessary & Reasonable
				The rental rate for the lease of Maleenont Tower is at the same market rate as offered in 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.
Maleenont Tower Co., Ltd.	Same majority shareholders as the Company	Parking fees	Amount of 0.01 MB	Entering into such transactions is based on reasonable grounds, allowing for smooth and effective operations of the Company.
Thai Ticket Major Co., Ltd.	Same majority shareholders as the Company	Charge for ticket sales fee	Amount of 1.24 MB	Entering into such transactions is based on reasonable grounds, allowing for smooth and effective operations of the Company.

Pricing policy

The Cost of Sales Services rendered by related parties are in line with those occurring in the normal course of business based on the general market price of third parties.

3) Sale and Purchase, and Services Balance with Related Parties

Company	Relationship	Related transactions	As of 31 December 2014	Necessary & Reasonable
		Trade accounts receivable	Total amount 3.47 MB	
Bangkok Entertainment Co., Ltd.	A subsidiary of BEC World Plc., the Company's majority shareholders, holding 18% of registered share capital	Trade accounts receivable for royalties for broadcasting through television stations (derived in parallel with accounts payable of	Amount of 3.47 MB	Please refer to no.1

Company	Relationship	Related transactions	As of 31 December 2014	Necessary & Reasonable
		advertising expense occurring from broadcasting in a time sharing format.)		
		Trade accounts payables	Total amount 3.47 MB	
Bangkok Entertainment Co., Ltd.	A subsidiary of BEC World Public Company Limited the Company's majority shareholders, holding 18% of registered share capital	–Trade accounts payable for advertising expenses (derived in parallel with accounts receivable from royalties)	Amount of 3.47 MB	Please refer to no.2
Bangkok Television Co., Ltd.	A subsidiary of BEC World Public Company Limited the Company's majority shareholders, holding 18% of registered share capital	royalty expenses	Amount of 0.003 MB	Please refer to no.2
		Accrued expenses	Total amount 0.46 MB	
Millionaire Property Fund by Maleenont Tower Co., Ltd.	Same majority shareholders as the Company	Rental, service expenses, water and electricity expenses, and other expenses.	Amount of 0.46 MB	Please refer to no.2
Maleenont Tower Co., Ltd.	Same majority shareholders as the Company	Parking fees	Amount of 0.004 MB	Please refer to no.2

4) Borrowing, Lending and Security

In 2014, the Company has loans from its subsidiary in the amount of Baht 88 million, bearing interest rate of bank fixed deposits rate plus 0.25% per annum, and there was no specified repayment date.

12. Financial Statements

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 2014, 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 afore-mentioned 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, PricewaterhouseCoopers ABAS Ltd., and A.C. AUDIT AND CONSULT CO.,LTD.¹ 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. Matthew Kichodhan
Chairman
On behalf of the Board of Directors

Note

¹ Subsidiary of Company has acquired Jeffer Restaurant Co., Ltd. on December 4, 2014 with A.C. AUDIT AND CONSULT Co., Ltd. as an auditor for the financial statements 2014

12.1 Auditor's Report

To the Shareholders and the Board of Directors of Wave Entertainment Public Company Limited

I have audited the accompanying consolidated and company financial statements of Wave Entertainment Public Company Limited and its subsidiaries and of Wave Entertainment Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Wave Entertainment Public Company Limited and its subsidiaries and of Wave Entertainment Public Company Limited as at 31 December 2014, and the consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Ltd.

Bangkok
26 February 2015

Wave Entertainment Public Company Limited

Statements of Financial Position

As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	151,235,392	82,836,562	40,829,132	40,264,125
Short-term investments	8	17,529,946	10,403,723	5,529,946	10,403,723
Trade and other receivables	9	73,549,507	66,055,821	26,956,502	10,403,859
Short-term loans to related parties	28 iv)	-	-	-	22,900,000
Inventories	10	27,011,517	36,828	-	36,828
Television programmes, movies and concerts production in progress		34,764,806	2,692,024	12,762,897	750,000
Other current assets	11	57,612,129	15,828,147	31,368,107	8,483,190
Total current assets		361,703,297	177,853,105	117,446,584	93,241,725
Non-current assets					
Deposit at bank used as collateral		831,000	-	-	-
Investments in subsidiaries	12	-	-	833,018,871	33,018,871
Investments in associate	12	553,492,160	313,415,180	427,050,000	341,250,000
Equipment	13	154,930,087	12,503,606	9,566,497	10,860,548
Intangible asset	15	73,803,685	-	-	-
Prepaid rent	16	4,510,044	5,895,466	4,510,044	5,895,466
Goodwill	14	1,256,450,572	-	-	-
Deferred tax assets	17	9,107,158	7,600,000		-
Other non-current assets	11	80,378,409	10,953,564	15,894,814	1,394,813
Total non-current assets		2,133,503,115	350,367,816	1,290,040,226	392,419,698
Total assets		2,495,206,412	528,220,921	1,407,486,810	485,661,423

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Wave Entertainment Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 December 2014

	Notes	Consolidated		Company	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	19	77,582,565	30,973,826	28,168,093	12,396,758
Unearned revenue		256,546,436	-	11,924,899	-
Accrued expenses		57,110,797	3,309,386	3,240,756	2,787,733
Short-term borrowings from related party	28 v)	-	-	88,000,000	-
Other current liabilities		35,141,817	7,181,009	30,668,882	2,633,249
Current portion of finance lease liability	18	2,366,527	1,534,027	1,534,027	1,534,027
Current portion of long-term borrowings	18	126,607,358	-	97,007,358	-
Accrued income tax		1,398,609	-	-	-
Total current liabilities		556,754,109	42,998,248	260,544,015	19,351,767
Non-current liabilities					
Long-term finance lease liability	18	6,963,645	6,833,379	5,159,895	6,833,379
Long-term borrowings from financial institutions	18	1,146,581,818	-	726,181,818	-
Employee benefit obligations	20	6,049,061	3,307,613	4,536,402	2,392,293
Long-term account payable for investment		223,052,900	-	-	-
Other non-current liabilities		17,330,047	12,667,241	14,500,000	3,270,331
Total non-current liabilities		1,399,977,471	22,808,233	750,378,115	12,496,003
Total liabilities		1,956,731,580	65,806,481	1,010,922,130	31,847,770
Shareholders' equity					
Share capital					
Authorised share capital	21				
Ordinary share, 32,400,000 shares of par Baht 10 each		324,000,000	324,000,000	324,000,000	324,000,000
Issued and paid-up share capital					
Ordinary share, 32,400,000 shares of paid-up Baht 10 each		324,000,000	324,000,000	324,000,000	324,000,000
Share premium		370,773,735	370,773,735	370,773,735	370,773,735
Discount from increment of investment in subsidiary		(1,063,239)	(1,063,239)	-	-
Retained earnings					
Appropriated - legal reserve	22	16,726,352	16,726,352	16,726,352	16,726,352
Deficits		(171,962,000)	(248,022,408)	(314,935,407)	(257,686,434)
Equity attributable to owners of the parent		538,474,848	462,414,440	396,564,680	453,813,653
Non-controlling interests		(16)	-	-	-
Total shareholders' equity		538,474,832	462,414,440	396,564,680	453,813,653
Total liabilities and shareholders' equity		2,495,206,412	528,220,921	1,407,486,810	485,661,423

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Wave Entertainment Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Revenues					
Sales		57,517,751	1,726,701	95,671	1,726,701
Revenue from rendering of services		576,742,468	281,965,435	50,272,253	104,712,236
Total revenues		634,260,219	283,692,136	50,367,924	106,438,937
Costs					
Costs of sales		(24,639,824)	(986,362)	(25,434)	(986,362)
Costs of rendering of services		(424,389,352)	(199,818,502)	(25,327,054)	(81,843,410)
Total costs		(449,029,176)	(200,804,864)	(25,352,488)	(82,829,772)
Gross profit		185,231,043	82,887,272	25,015,436	23,609,165
Other income	23	32,032,519	5,551,209	21,984,812	7,010,865
Selling expenses		(78,314,321)	(30,433,227)	(17,291,706)	(29,652,973)
Administrative expenses		(189,321,061)	(45,387,511)	(60,071,203)	(33,406,753)
Finance cost		(27,734,217)	-	(26,886,312)	-
Share of profit (loss) from associate	12	154,276,980	(3,905,412)	-	-
Profit (loss) before income tax expense		76,170,943	8,712,331	(57,248,973)	(32,439,696)
Income tax expense	25	(110,535)	(960,000)	-	(2,600,000)
Net profit (loss) for the year		76,060,408	7,752,331	(57,248,973)	(35,039,696)
Other comprehensive income		-	-	-	-
Total comprehensive income (expense) for the year		76,060,408	7,752,331	(57,248,973)	(35,039,696)
Profit (loss) and comprehensive income (expense) attributable to:					
Owners of the parent		76,060,408	7,752,331	(57,248,973)	(35,039,696)
Non-controlling interests		-	-	-	-
		76,060,408	7,752,331	(57,248,973)	(35,039,696)
Basic earnings (loss) per share					
Attributable to owners of the parent	26				
Profit (loss) for the year		2.35	0.24	(1.77)	(1.08)

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Wave Entertainment Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2014

	Consolidated							
	Attributable to owners of the parent							Total shareholders' equity Baht
	Issued and paid-up share capital Baht	Share premium Baht	Discount from increment of investment in subsidiary Baht	Retained earnings		Total equity of the parent Baht	Non-controlling interests Baht	
				Appropriated	Deficits			
				- legal reserve Baht	Baht			
Opening balance as at 1 January 2014	324,000,000	370,773,735	(1,063,239)	16,726,352	(248,022,408)	462,414,440	-	462,414,440
Total comprehensive income for the year	-	-	-	-	76,060,408	76,060,408	-	76,060,408
Dividends paid	-	-	-	-	-	-	(16)	(16)
Closing balance as at 31 December 2014	<u>324,000,000</u>	<u>370,773,735</u>	<u>(1,063,239)</u>	<u>16,726,352</u>	<u>(171,962,000)</u>	<u>538,474,848</u>	<u>(16)</u>	<u>538,474,832</u>
Opening balance as at 1 January 2013	324,000,000	370,773,735	(1,063,239)	16,726,352	(255,774,739)	454,662,109	-	454,662,109
Total comprehensive income for the year	-	-	-	-	7,752,331	7,752,331	-	7,752,331
Closing balance as at 31 December 2013	<u>324,000,000</u>	<u>370,773,735</u>	<u>(1,063,239)</u>	<u>16,726,352</u>	<u>(248,022,408)</u>	<u>462,414,440</u>	<u>-</u>	<u>462,414,440</u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Wave Entertainment Public Company Limited
Statement of Changes in Shareholders' Equity (Cont'd)
For the year ended 31 December 2014

	Company				
	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Total shareholders' equity Baht
			Appropriated - legal reserve Baht	Deficits Baht	
Opening balance as at 1 January 2014	324,000,000	370,773,735	16,726,352	(257,686,434)	453,813,653
Total comprehensive expense for the year	-	-	-	(57,248,973)	(57,248,973)
Closing balance as at 31 December 2014	324,000,000	370,773,735	16,726,352	(314,935,407)	396,564,680
Opening balance as at 1 January 2013	324,000,000	370,773,735	16,726,352	(222,646,738)	488,853,349
Total comprehensive expense for the year	-	-	-	(35,039,696)	(35,039,696)
Closing balance as at 31 December 2013	324,000,000	370,773,735	16,726,352	(257,686,434)	453,813,653

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Wave Entertainment Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cash flows from operating activities					
Profit (loss) before income tax expense		76,170,943	8,712,331	(57,248,973)	(32,439,696)
Adjustments for:					
Depreciation	13	29,897,902	893,227	1,421,178	460,441
Amortisation of intangible asset	15	13,746,509	-	-	-
Interest income		(3,054,024)	(4,558,390)	(760,558)	(4,784,357)
Dividends income		(230,500)	(263,000)	(20,230,484)	(263,000)
Unrealised loss on short-term investments	8	821,554	2,232,500	821,554	2,232,500
Reversal of allowance for doubtful accounts		2,275,899	-	-	-
Provision for obsolete inventories		19,235	123,961	19,235	123,961
Loss on disposal of equipment		88,484	-	-	-
Loss from write-off of equipment		369,244	-	-	-
Provision for (reversal of) employee benefit obligations		2,921,787	(4,660,037)	2,144,109	579,157
Finance costs		27,734,217	-	26,886,312	-
Share of (profit) loss from associate	12.2	(154,276,980)	3,905,412	-	-
		(3,515,730)	6,386,004	(46,947,627)	(34,090,994)
Changes in working capital					
- Trade and other receivables		48,077,399	(43,562,990)	(16,668,007)	1,857,874
- Inventories		(6,260,878)	(12,812)	17,593	(12,812)
- Television programmes, movies and concert production in progress		(32,072,782)	47,976,756	(12,012,898)	31,420,087
- Other current assets		(19,591,271)	3,131,119	(22,022,946)	827,317
- Deposit at bank used as collateral		10,000,000	-	-	-
- Prepaid rent		1,385,422	1,385,422	1,385,422	1,385,422
- Other non-current assets		(5,500,099)	219,229	(14,500,000)	46,730
- Trade and other payables		29,338,835	10,986,319	15,771,334	2,597,939
- Unearned revenue		22,939,080	(10,030,215)	11,924,899	(30,215)
- Accrued expenses		19,067,824	1,924,738	(117,243)	2,159,361
- Other current liabilities		2,492,073	4,858,150	28,035,633	1,955,432
- Employee benefit obligations		(337,320)	(1,282,929)	-	(1,282,929)
- Other non-current liabilities		4,662,806	-	11,229,669	-
Cash flows generated from (used in) operating activities		70,685,360	21,978,791	(43,904,171)	6,833,212
Interest paid		(26,426,683)	-	(26,316,045)	-
Income tax paid		(4,413,573)	(5,186,857)	(861,970)	(2,261,403)
Net cash generated from (used in) operating activities		39,845,104	16,791,934	(71,082,186)	4,571,809

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Wave Entertainment Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2014

		Consolidated	Consolidated	Company	Company
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		3,113,804	5,732,043	875,921	5,935,955
Dividends income		230,500	263,000	20,230,484	263,000
Purchase of short-term investments		(56,000,000)	-	-	-
Proceed from disposals of short-term investments		48,052,223	116,688,398	4,052,223	113,895,523
Receipt from short-term loans to related parties	28 iv)	-	-	22,900,000	1,500,000
Payment for short-term loans to related parties		-	-	-	(8,400,000)
Payment for investment in associate	12.2	(85,800,000)	(104,735,000)	(85,800,000)	(104,735,000)
Payment for investment in subsidiaries	27	(1,144,755,063)	-	(800,000,000)	-
Proceed from disposal of equipment		11,700	-	-	-
Purchase of equipment		(6,290,479)	(2,371,216)	(127,127)	(1,873,547)
Purchase of intangible assets		(830,885)	-	-	-
Net cash (used in) generated from investing activities		(1,242,268,200)	15,577,225	(837,868,499)	6,585,931
Cash flows from financing activities					
Proceed from long-term borrowings from financial institutions	18.2	1,335,215,980	-	885,215,980	-
Repayment to long-term borrowings from financial institutions	18.2	(62,026,804)	-	(62,026,804)	-
Proceed from short-term loan from related party	28 v)	-	-	88,000,000	-
Dividends paid		(16)	-	-	-
Repayment to finance lease liability		(2,367,234)	-	(1,673,484)	-
Net cash generated from financing activities		1,270,821,926	-	909,515,692	-
Net increase in cash and cash equivalents		68,398,830	32,369,159	565,007	11,157,740
Opening balance of cash and cash equivalents		82,836,562	50,467,403	40,264,125	29,106,385
Closing balance of cash and cash equivalents		151,235,392	82,836,562	40,829,132	40,264,125

Significant non-cash transactions

Significant non-cash transactions for the years ended 31 December are as follows:

Finance lease liability arising from purchases of equipment	3,330,000	7,509,503	-	7,509,503
Long-term accounts payable for investment in subsidiary	223,052,900	-	-	-

The notes to the consolidated and company financial statements form an integral part of these financial statements.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

1 General information

Wave Entertainment Public Company Limited, the “Company” is a public limited company which is listed on the Stock Exchange of Thailand and incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

3199, 15th Floor, Maleenont Tower, Rama IV Road, Klongtan Sub-district, Klongtoey District, Bangkok.

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

The Group is principally engaged in the businesses of investment in other companies, production and distribution of television programmes and movies, sales of series in forms of VCDs, DVDs and rights, sublease spaces, operations of concerts and events, operations of English language institution, and food and beverage.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2015.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis for preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

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

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards

1 Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group:

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income Tax - recovery of revalue non-depreciable assets is incorporated into TAS 12 (revised 2012). This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 1 Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group: (Cont'd)

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. The management is currently assessing the impact of applying this standard.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2014. This standard has no impact to the Group.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of government-related entities. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2014. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loss of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2014. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. The management is currently assessing the impact of applying this standard.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 1 Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group: (Cont'd)

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. The management is currently assessing the impact of applying this standard.

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of TRIC 4. This interpretation has no impact to the Group.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the Group.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. This interpretation has no impact to Group.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 1 Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group (Cont'd)

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 "Leases". This guidance explains examples that individually demonstrate that an arrangement may not, in substance, involve a lease under TAS 17. The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 "Intangible Assets". This interpretation has no impact to the Group.

- a) Financial reporting standards, which are expected to have a significant impact to the group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interest in other entities
	Employee benefits
TFRS 13	Fair Value Measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20 (revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 2 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the group and are not early adopted (Cont'd)

- a) Financial reporting standards, which are expected to have a significant impact to the group (Cont'd)

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. The group is yet to assess the full impact of the amendments.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The group is yet to assess the full impact of the amendments.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the group.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the group.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 2 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the group and are not early adopted (Cont'd)

- a) Financial reporting standards, which are expected to have a significant impact to the group (Cont'd)

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the group

TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

TFRIC 20 (revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard has no impact to the Group

- b) Financial reporting standards with minor changes and do not have impact to the group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contract
TAS 12 (revised 2014)	Income Taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per Share
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating segments

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the group and are not early adopted (Cont'd)

b) Financial reporting standards with minor changes and do not have impact to the group are as follows: (Cont'd)

TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

c) New accounting standard which is effective for the periods beginning on or after 1 January 2016

TFRS 4	Insurance Contracts
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TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions and non-controlling interests

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

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

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates (Cont'd)

(3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

A list of the Group's principal associates is set out in Note 12.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statement of income within administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of the purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Television programmes, movies and concerts production in progress

Television programmes under production are costs of programmes under production which will be recognised as cost of rendering of services upon the sale or release of the programmes. Costs of television programmes comprise costs directly attributable to television programmes production and are stated at the lower of cost and net realisable value.

Movies under production are direct costs of movies which will be recognised as cost of rendering of services upon sale or release of the movies. Costs of movies comprise costs directly attributable to movies production and are stated at the lower of cost and net realisable value.

Concerts under production are costs of concerts which will be recognised as cost of rendering of services upon the show of the concert. Costs of concerts comprise costs directly attributable to concerts production and are stated at the lower of cost and net realisable value.

2 Accounting policies (Cont'd)

2.9 Investments

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

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
4. Investments in non-marketable equity securities are classified as general investments.

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

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

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

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

2 Accounting policies (Cont'd)

2.10 Equipment

Equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Furniture, fixture, and office equipment	5 years
Computer	3 years
Vehicles	5 years

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

2.11 Prepaid rent

Prepaid rent are initially recorded at cost and amortised on straight-line basis over the period of rent.

2.12 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2 Accounting policies (Cont'd)

2.13 Intangible assets

2.13.1 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

2.13.2 Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.

2.14 Impairment of assets

Equipment

Equipment and other amortised assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Leases

Leases - where a Group is the lessee

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

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

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

2 Accounting policies (Cont'd)

2.15 Leases (Cont'd)

Leases - where a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

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

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

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

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

2.17 Current and deferred income taxes

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

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

2 Accounting policies (Cont'd)

2.17 Current and deferred income taxes (Cont'd)

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

2.18 Employee benefits

2.18.1 Post-retirement benefit

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

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss in the period in which they arise.

Past-service costs are recognised immediately in income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2 Accounting policies (Cont'd)

2.18 Employee benefits (Cont'd)

2.18.1 Post-retirement benefit (Cont'd)

For defined contribution plans, the Group pays contributions to trustee-administered fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.18.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.19 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from advertising and tuition fee and is recognized when services are rendered to customer.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

2 Accounting policies (Cont'd)

2.21 Segment reporting

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

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects from change of foreign currency exchange rates, interest rates and non-performance of contractual obligations by counterparties. Risk management is carried out by Group Management. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

3.1.1 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. However, the Group's income and operating cash flows are not substantially independent of changes in market interest rates. The Group does not use the interest rate derivative to manage exposure from fluctuation in interest rate on specific borrowing.

3.1.2 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

3.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit history.

3.1.4 Liquidity risk

The availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value

The book values of financial assets and liabilities with a maturity of less than one year are approximate their fair values.

4 Critical accounting estimates, assumptions and judgements

Estimates 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.

4.1 Allowance for obsolete, slow-moving and defective inventories

The Group has made allowance, where necessary, for obsolete, slow moving and defective inventories by estimating the net realisable value was calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable estimation was based on historical experience, management's knowledge of the industry and future market trends.

4.2 Employee benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds] that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

4.3 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 14).

5 Capital risk management

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

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

6 Segment information

Financial statements classified by business segment is as follows:

	For the year ended 31 December 2014						Consolidated Baht
	Language Institutions Baht	Food Baht	Television programmes production Baht	Concerts and events Baht	Sale of VCDs and DVDs Baht	Sublease service and others Baht	
Revenues from operation	464,332,655	57,422,080	64,602,155	42,288,498	76,193	8,003,233	636,724,814
Inter-segment revenue	-	-	-	(510,600)	-	(1,953,995)	(2,464,595)
Total revenue	464,332,655	57,422,080	64,602,155	41,777,898	76,193	6,049,238	634,260,219
Segment result	(9,906,206)	5,902,927	(1,938,755)	(698,237)	27,834	4,302,304	(2,310,133)
Other income							32,032,519
Unallocated costs							(80,094,206)
Finance Cost							(27,734,217)
Share of profit of investments in associate							154,276,980
Profit before income tax expense							76,170,943
Income tax expense							(110,535)
Net profit							76,060,408
Inventories	7,403,091	19,608,426	-	-	-	-	27,011,517
Equipment	92,024,417	47,351,106	5,988,065	-	-	-	143,363,588
Intangible asset	73,803,685	-	-	-	-	-	73,803,685
Investment in associate							553,492,160
Goodwill							1,256,450,572
Unallocated assets							439,084,890
Consolidated total assets							2,495,206,412

	For the year ended 31 December 2013					Consolidated Baht
	Film production and distribution Baht	Television programmes production Baht	Concerts and events Baht	Sale of VCDs and DVDs Baht	Sublease service and others Baht	
Revenues from operation	39,590,927	179,207,194	57,463,290	1,094,151	6,336,574	283,692,136
Inter-segment revenue	-	-	-	-	-	-
Total revenue	39,590,927	179,207,194	57,463,290	1,094,151	6,336,574	283,692,136
Segment result	(2,848,961)	49,899,633	(11,520,029)	105,761	4,589,126	40,225,530
Other income						5,551,209
Unallocated costs						(33,158,996)
Share of loss of investments in associate						(3,905,412)
Profit before income tax expense						8,712,331
Income tax expense						(960,000)
Net profit						7,752,331
Equipment						12,503,606
Investment in associate						313,415,180
Unallocated assets						202,302,135
Consolidated total assets						528,220,921

There are no sales or other transactions between the business segments. Unallocated costs represent corporate expenses. Segment assets consist primarily of equipment, inventories, receivables and operating cash.

7 Cash and cash equivalents

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cash at bank and on hand	88,909,161	26,479,081	6,743,111	10,365,767
Short-term bank deposits	62,326,231	56,357,481	34,086,021	29,898,358
	<u>151,235,392</u>	<u>82,836,562</u>	<u>40,829,132</u>	<u>40,264,125</u>

The effective interest rate on short-term bank deposits was 2.29% (2013: 3.05%) and these deposits have an average maturity of 77 days.

8 Short-term investments

	Consolidated			
	2014		2013	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
1. Trading securities	14,911,700	5,529,946	14,911,700	6,351,500
2. Held-to-maturity investments	12,000,000	12,000,000	4,052,223	4,052,223
Total	26,911,710	17,529,946	18,963,923	10,403,723
<u>Less</u> Revaluation adjustments	(9,381,754)	-	(8,560,200)	-
Total short-term investments	<u>17,529,946</u>	<u>17,529,946</u>	<u>10,403,723</u>	<u>10,403,723</u>

	Company			
	2014		2013	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
1. Trading securities	14,911,700	5,529,946	14,911,700	6,351,500
2. Held-to-maturity investments	-	-	4,052,223	4,052,223
Total	14,911,700	5,529,946	18,963,923	10,403,723
<u>Less</u> Revaluation adjustments	(9,381,754)	-	(8,560,200)	-
Total short-term investments	<u>5,529,946</u>	<u>5,529,946</u>	<u>10,403,723</u>	<u>10,403,723</u>

During the year ended 31 December 2014, movement of trading securities is as follows:

	Consolidated	Company
	Trading securities Baht	Trading securities Baht
Book value - beginning balance	6,351,500	6,351,500
Change in market value	(821,554)	(821,554)
Book value - ending balance	<u>5,529,946</u>	<u>5,529,946</u>

9 Trade and other receivables, net

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade accounts receivable - third parties	35,433,560	13,528,437	26,015,893	9,155,963
Trade accounts receivable - related parties (Note 28 c)	3,466,800	51,060,400	-	-
Total	38,900,360	64,588,837	26,015,893	9,155,963
<u>Less</u> Allowance for doubtful accounts	(2,599,266)	-	-	-
Trade accounts receivable, net	36,301,094	64,588,837	26,015,893	9,155,963
Prepayments	24,378,368	215,215	244,705	155,558
Deferred interest expense	781,798	857,902	562,436	857,902
Accrued interest income	135,011	181,781	57,515	172,878
Other receivables	8,843,445	212,086	3,422	61,558
Accrued income	1,438,500	-	-	-
Advance payment	1,671,291	-	72,531	-
	<u>73,549,507</u>	<u>66,055,821</u>	<u>26,956,502</u>	<u>10,403,859</u>

Aging of trade accounts receivable as 31 December can be analysed as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade accounts receivable				
Current	22,582,668	54,532,643	13,089,008	3,799,209
Overdue less than 3 months	14,331,044	10,056,194	12,750,550	5,356,754
Overdue 3 months but less than 6 months	722,347	-	-	-
Overdue 6 months but less than 12 month	1,083,085	-	176,335	-
Overdue more than 12 month	181,216	-	-	-
Total trade accounts receivable	38,900,360	64,588,837	26,015,893	9,155,963
<u>Less</u> Allowance for doubtful accounts	(2,599,266)	-	-	-
Trade accounts receivable, net	<u>36,301,094</u>	<u>64,588,837</u>	<u>26,015,893</u>	<u>9,155,963</u>

10 Inventories

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Packaging materials	26,401	26,401	26,401	26,401
VCD and DVD	775,158	792,752	775,158	792,752
Books	7,589,353	-	-	-
Raw materials - foods	19,608,426	-	-	-
<u>Less</u> Allowance for inventories obsolescence	(987,821)	(782,325)	(801,559)	(782,325)
	<u>27,011,517</u>	<u>36,828</u>	<u>-</u>	<u>36,828</u>

The cost of inventories recognised as expense are included in “cost of sales” amounted to Baht 57,517,751, and Baht 95,671 (2013: Baht 1,726,701, and Baht 1,726,701) in the consolidated and company financial statements, respectively.

11 Other current assets and other non-current assets

Other current assets

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Tuition fee pending for bank transfer	12,648,601	-	-	-
Deposits	2,516,000	2,709,211	2,476,000	2,712,916
Guarantee	24,000,000	-	24,000,000	-
Undue input VAT	1,989,801	1,804,293	1,215,729	888,586
Withholding tax receivable	14,318,319	11,313,984	3,676,378	4,651,488
Others	2,139,408	659	-	230,200
	<u>57,612,129</u>	<u>15,828,147</u>	<u>31,368,107</u>	<u>8,483,190</u>

Other non-current assets

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Deposits	64,266,226	9,396,910	-	-
Guarantee	16,028,814	1,528,814	15,894,814	1,394,813
Others	83,369	27,840	-	-
	<u>80,378,409</u>	<u>10,953,564</u>	<u>15,894,814</u>	<u>1,394,813</u>

12 Investments in subsidiaries, and associate

12.1 Movements of investments in subsidiaries

	Company Baht
For the year ended 31 December 2014	
Opening net book amount	33,018,871
Addition during the year	<u>800,000,000</u>
Closing net book amount	<u>833,018,871</u>

Efficient English Services Limited

At the Annual General Meeting of shareholders held on 25 April 2014, the shareholders passed a resolution to invest in 1,656,000 shares, representing 100% of registered shares of Efficient English Services Limited which is incorporated in Thailand, and is the exclusive franchisee to operate the “Wall Street English” institute in Thailand. The Company paid Baht 800 million in cash as consideration on 30 April 2014 (Note 27).

12 Investments in subsidiaries, and associate (Cont'd)

12.2 Movements of investments in associate

	Consolidated Baht	Company Baht
For the year ended 31 December 2014		
Opening net book amount	313,415,180	341,250,000
Addition during the year	85,800,000	85,800,000
Share of profit	154,276,980	-
Closing net book amount	<u>553,492,160</u>	<u>427,050,000</u>

Thai Solar Energy Company Public Limited (“TSE”)

At the Board of Directors Meeting held on 14 May 2014, the shareholders passed a resolution to invest in additional 22 million newly issued shares of TSE at Baht 3.90 each. The Company paid Baht 85.80 million in cash as consideration on 22 October 2014. After the additional shares issued for the purpose of IPO by TSE, the shareholding percentage of the Company in investment in TSE decreased from 25% to 20%. However, as the Company has significant influence over TSE, the investment is classified as an associate accordingly.

The Group's share of the result of its associate, and its share of the assets and liabilities are as follows:

	2014 Baht	2013 Baht
Assets	1,376,278,397	1,326,204,121
Liabilities	678,776,932	1,093,022,499
Revenues	269,738,258	151,836,940
Profit (loss)	154,276,980	(3,905,412)
% interest held	20	25

12 Investments in subsidiaries, and associate (Cont'd)

12.3 Details of investment in subsidiaries and associate

Details of investments are as follows:

			% Ownership interest	
			31 December 2014	31 December 2013
	Business	Country of incorporation		
Subsidiaries				
Wave TV Company Limited	Television programmes production	Thailand	99.99	99.99
Wave Picture Company Limited	Cease of operations	Thailand	99.99	99.99
Wave Food Group Co., Ltd. (Formerly “Wave TV and Movie Studio Company Limited	Investment	Thailand	99.99	99.99
CVD Organizer Company Limited	Cease of operations	Thailand	99.99	99.99
Efficient English Services Limited	Language Institute	Thailand	99.99	-
Subsidiary of Wave Food Group Co., Ltd.				
Jeffer Restaurant Company Limited	Restaurant	Thailand	99.99	-
Associate				
Thai Solar Energy Public Company Limited	Generation of electricity from sun radiation, and sale to Government and private states	Thailand	20.00	25.00

In respect of acquisitions of Efficient English Services Limited and Jeffer Restaurant Company Limited, details of business combinations are disclosed in Note 27.

13 Equipment, net

	Consolidated			
	Furniture, fixture and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2013				
Cost	4,415,353	3,600,000	-	8,015,353
<u>Less</u> Accumulated depreciation	(899,240)	(3,599,999)	-	(4,499,239)
Net book value	<u>3,516,113</u>	<u>1</u>	<u>-</u>	<u>3,516,114</u>
For the year ended 31 December 2013				
Opening net book value	3,516,113	1	-	3,516,114
Additions	500,219	9,380,500	-	9,880,719
Depreciation charge	(864,364)	(28,863)	-	(893,227)
Closing net book value	<u>3,151,968</u>	<u>9,351,638</u>	<u>-</u>	<u>12,503,606</u>
At 31 December 2013				
Cost	4,915,573	12,980,500	-	17,896,073
<u>Less</u> Accumulated depreciation	(1,763,605)	(3,628,862)	-	(5,392,467)
Net book value	<u>3,151,968</u>	<u>9,351,638</u>	<u>-</u>	<u>12,503,606</u>
For the year ended 31 December 2014				
Opening net book value	3,151,968	9,351,638	-	12,503,606
Acquisition of subsidiaries (Note 27)	150,156,124	5,017,208	8,000,000	163,173,332
Additions	3,821,582	5,230,700	568,197	9,620,479
Disposals	(100,184)	-	-	(100,184)
Write off	(369,244)	-	-	(369,244)
Transfer	568,197	-	(568,197)	-
Depreciation charge	(27,847,870)	(2,050,032)	-	(29,897,902)
Closing net book value	<u>129,380,573</u>	<u>17,549,514</u>	<u>8,000,000</u>	<u>154,930,087</u>
At 31 December 2014				
Cost	158,992,048	23,228,408	8,000,000	190,220,456
<u>Less</u> Accumulated depreciation	(29,611,475)	(5,678,894)	-	(35,290,369)
Net book value	<u>129,380,573</u>	<u>17,549,514</u>	<u>8,000,000</u>	<u>154,930,087</u>

	Consolidated	
	2014 Baht	2014 Baht
Depreciation has been charged into the following categories of expenses:		
Cost of sales	496,463	295,005
Cost of services	22,965,272	-
Selling expenses	183,756	-
Administrative expenses	6,252,411	598,222
	<u>29,897,902</u>	<u>893,227</u>

13 Equipment, net (Cont'd)

	Company		
	Furniture, fixture and office equipment Baht	Vehicles Baht	Total Baht
At 1 January 2013			
Cost	2,686,478	-	2,686,478
<u>Less</u> Accumulated depreciation	(748,539)	-	(748,539)
Net book value	<u>1,937,939</u>	<u>-</u>	<u>1,937,939</u>
For the year ended 31 December 2013			
Opening net book value	1,937,939	-	1,937,939
Additions	2,550	9,380,500	9,383,050
Depreciation charge	(431,578)	(28,863)	(460,441)
Closing net book value	<u>1,508,911</u>	<u>9,351,637</u>	<u>10,860,548</u>
At 31 December 2013			
Cost	2,689,029	9,380,500	12,069,529
<u>Less</u> Accumulated depreciation	(1,180,118)	(28,863)	(1,208,981)
Net book value	<u>1,508,911</u>	<u>9,351,637</u>	<u>10,860,548</u>
For the year ended 31 December 2014			
Opening net book value	1,508,911	9,351,637	10,860,548
Additions	127,127	-	127,127
Depreciation charge	(445,078)	(976,100)	(1,421,178)
Closing net book value	<u>1,190,960</u>	<u>8,375,537</u>	<u>9,566,497</u>
At 31 December 2014			
Cost	2,816,156	9,380,500	12,196,656
<u>Less</u> Accumulated depreciation	(1,625,196)	(1,004,963)	(2,630,159)
Net book value	<u>1,190,960</u>	<u>8,375,537</u>	<u>9,566,497</u>

Depreciation expense of Baht 1,421,178 (2013: Baht 460,441) has been charged in "administrative expense".

Additions in the consolidated financial statement include Baht 3,330,000 assets leased under finance leases.

Leased assets included above, where the Group and the Company is a lessee under finance leases, comprise vehicles as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cost - capitalised finance leases	14,611,200	9,380,500	9,380,500	9,380,500
<u>Less</u> Accumulated depreciation	(1,836,143)	(28,863)	(1,004,963)	(28,863)
Net book amount	<u>12,775,057</u>	<u>9,351,637</u>	<u>8,375,537</u>	<u>9,351,637</u>

14 Goodwill

	Consolidated	
	2014 Baht	2013 Baht
At 1 January		
Cost	-	-
<u>Less</u> Provision for impairment	-	-
Net book amount	-	-
Year ended 31 December		
Opening net book amount	-	-
Acquisition of subsidiaries (Note 27)	1,256,450,572	-
Closing net book amount	1,256,450,572	-
At 31 December		
Cost	1,256,450,572	-
<u>Less</u> Provision for impairment	-	-
Net book amount	1,256,450,572	-

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A segment-level summary of the goodwill allocation is presented below.

	2014		
	Language Institute Baht	Restaurant Baht	Total Baht
Goodwill allocation (Note 27)	726,079,472	530,371,100	1,256,450,572

Goodwill relating to "Restaurant" is an inception amount which may subject to be adjusted with the fair value of acquired assets and liabilities being appraised (Note 27).

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Language Institute
Growth rate ¹	8.00%
Discount rate ²	12.30%

¹ Weighted average growth rate used to extrapolate cash flows beyond the budget period.

² Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

15 Intangible assets

	Consolidated				
	License Baht	Computer software Baht	Customer relation Baht	Intangible in progress Baht	Total Baht
At 1 January 2014					
Cost	-	-	-	-	-
<u>Less</u> Accumulated amortisation	-	-	-	-	-
Net book amount	-	-	-	-	-
Year ended 31 December 2014					
Opening net book amount	-	-	-	-	-
Acquisition of subsidiary	21,541,934	30,435,148	33,960,000	782,227	86,719,309
Additions	-	830,885	-	-	830,885
Amortisation charge	(2,141,152)	(2,549,357)	(9,056,000)	-	(13,746,509)
Closing net book amount	19,400,782	28,716,676	24,904,000	782,227	73,803,685
At 31 December 2014					
Cost	21,541,934	31,266,033	33,960,000	782,227	87,550,194
<u>Less</u> Accumulated amortisation	(2,141,152)	(2,549,357)	(9,056,000)	-	(13,746,509)
Net book amount	19,400,782	28,716,676	24,904,000	782,227	73,803,685

Amortisation of Baht 13,746,509 is included in the administrative expense.

16 Prepaid rents

	Consolidated Baht	Company Baht
For the year ended 31 December 2014		
Opening net book amount	5,895,466	5,895,466
Amortisation charge	(1,385,422)	(1,385,422)
Closing net book amount	4,510,044	4,510,044

17 Deferred income taxes

The analysis of deferred tax assets as at 31 December is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Deferred tax asset to be recovered within 12 months	9,107,158	7,600,000	-	-

The movement in deferred income tax assets during the year is as follows:

	Consolidated	Company
	Tax loss carried forward	Tax loss carried forward
	Baht	Baht
Deferred tax assets		
At 1 January 2014	7,600,000	-
Credited to the income statement	1,507,158	-
At 31 December 2014	9,107,158	-

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 95 million (2013: Baht 273 million), these tax losses will expire in 2016.

18 Borrowings

18.1 Finance lease liabilities

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Not later than 1 year	2,366,527	1,534,027	1,534,027	1,534,027
Later than 1 year but not later than 5 years	6,963,645	6,693,936	5,159,895	6,693,936
Later than 5 years	-	139,443	-	139,443
Total	9,330,172	8,367,406	6,693,922	8,367,406

18 Borrowings (Cont'd)

18.2 Long-term borrowing

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current portion of long-term borrowing	126,607,358	-	97,007,358	-
Long-term borrowing payable between 1 to 5 years	887,855,928	-	648,255,928	-
Long-term borrowing payable more than 5 years	258,725,890	-	77,925,890	-
Total	1,273,189,176	-	823,189,176	-

The carrying amounts of borrowings approximate their fair values.

Long-term borrowing is collateralised by pledge of shares of Efficient English Services limite, shares of Jeffer Restaurant Company Limited, and 44 million shares of Thai Solar Energy Public Company Limited.

Movements in long-term borrowings are analysed as follows:

	Consolidated Baht	Company Baht
For year ended 31 December 2014		
Opening amount as at 1 January 2014	-	-
Addition during the year	1,335,215,980	885,215,980
Repayment of borrowings	(62,026,804)	(62,026,804)
Closing amount as at 31 December 2014	1,273,189,176	823,189,176

18.3 Interest rate

The interest rate of finance lease liability is a fixed rate, whereas interest rates of other borrowings are at floating rates.

The effective interest rates at the statement of financial position date are as follows:

	Consolidated		Company	
	2014 %	2013 %	2014 %	2013 %
Long-term borrowing	5.75 - 7.38	-	7.38	-
Finance lease liability	4.37 - 5.06	-	4.37	-

18.4 Borrowing facilities

The Group and the Company have the following undrawn committed borrowing facilities:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Float rate				
- expiring within one year	70,000,000	40,000,000	40,000,000	10,000,000

The facilities expiring within one year are bank overdrafts, which have been arranged to finance the operations of the Group and the Company

19 Trade and other payables

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade payables - others	55,881,828	21,207,140	17,192,419	9,820,472
Trade payable - related parties (Note 28c)	3,469,791	7,194,003	2,991	3,603
Other payables	18,230,946	2,572,683	10,972,683	2,572,683
	<u>77,582,565</u>	<u>30,973,826</u>	<u>28,168,093</u>	<u>12,396,758</u>

20 Employee benefit obligations

Post-retirement benefits

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Present value of unfunded obligation	6,049,061	3,307,613	4,536,402	2,392,293
Liability in the statement of financial position	<u>6,049,061</u>	<u>3,307,613</u>	<u>4,536,402</u>	<u>2,392,293</u>

The movement in the defined benefit obligation over the year is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
At 1 January	3,307,613	9,250,579	2,392,293	3,096,065
Liabilities acquired in a business combinations (Note 27)	156,981	-	-	-
Current service cost	3,158,431	611,098	2,034,377	511,181
Interest cost	182,493	416,276	95,692	139,323
Actuarial losses (gains)	(419,137)	(129,633)	14,040	(71,347)
Reversal of service cost	-	(5,557,778)	-	-
Benefits paid	(337,320)	(1,282,929)	-	(1,282,929)
At 31 December	<u>6,049,061</u>	<u>3,307,613</u>	<u>4,536,402</u>	<u>2,392,293</u>

The amounts recognised in the statement of income are as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current service cost	3,158,431	611,098	2,034,377	511,181
Interest cost	182,493	416,276	95,692	139,323
Actuarial losses (gains)	(419,137)	(129,633)	14,040	(71,347)
Reversal of service cost	-	(5,557,778)	-	-
Total, included in staff costs	<u>2,921,787</u>	<u>(4,660,037)</u>	<u>2,144,109</u>	<u>579,157</u>

Total charge of Baht 2,921,787 and Baht 2,144,109 (2013: Baht 4,660,037 and Baht 579,157) was included in administrative expenses in the consolidated and company financial statements, respectively.

20 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2014 %	2013 %	2014 %	2013 %
Discount rate	4.00 - 4.26	4.50	4.00	4.50
Future salary increases	5.00 - 8.09	4.50	5.00	4.50

21 Share capital

	Authorised number of shares	Issued and fully paid-up	
		Number of shares	Ordinary shares Baht
At 1 January 2013	32,400,000	32,400,000	324,000,000
Issue of shares	-	-	-
At 31 December 2013	32,400,000	32,400,000	324,000,000
Issue of shares	-	-	-
At 31 December 2014	32,400,000	32,400,000	324,000,000

The total authorised number of ordinary shares is 32,400,000 shares (2013: 32,400,000 shares) with a par value of Baht 10 per share (2013: Baht 10 per share). All issued shares are fully paid.

22 Legal reserve

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
At 1 January	16,726,352	16,726,352	16,726,352	16,726,352
Appropriation during the year	-	-	-	-
At 31 December	16,726,352	16,726,352	16,726,352	16,726,352

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

23 Other income

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Interest income	2,483,757	4,558,390	760,557	4,784,357
Dividends income	230,500	263,000	20,230,484	263,000
Refund of deposit (Note 30a)	8,617,654	-	-	-
Reversal of long outstanding payable	20,700,608	-	-	-
Other income	-	729,819	993,771	1,963,508
Total	32,032,519	5,551,209	21,984,812	7,010,865

24 Expense by nature

The following items, classified by nature, have been charged in arriving at the profit (loss) before finance costs and income tax expense:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Provision for obsolete inventories	19,234	123,961	19,234	123,961
Depreciation (Note 13)	29,897,902	893,227	1,421,178	460,441
Amortisation of intangible assets (Note 15)	13,746,501	-	-	-
Amortisation of prepaid rents (Note 16)	1,385,422	1,385,422	1,385,422	1,385,422
Provision for (reversal of) employee benefit expense (Note 20)	2,921,787	(4,660,037)	2,144,109	579,157

25 Income tax expense

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current tax	1,617,693	8,560,000	-	2,600,000
Deferred tax	(1,507,158)	(7,600,000)	-	-
	<u>110,535</u>	<u>960,000</u>	<u>-</u>	<u>2,600,000</u>

The tax on the Group's profit (loss) before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Profit (loss) before tax	76,170,943	8,712,331	(57,248,973)	(32,439,696)
Tax calculated at a tax rate of 20% (2013: 20%)	15,234,189	1,742,466	(11,449,795)	(6,487,939)
Tax effect of:				
Share of (profit) loss from associate net of tax	(30,855,396)	781,083	-	-
Income not subject to tax	(8,722,098)	(52,600)	(4,046,097)	(52,600)
Expenses not deductible for tax purpose	750,692	614,197	433,067	30,963
Utilisation of previously unrecognised tax losses	-	(3,634,722)	-	-
Tax losses for which no deferred income tax asset was recognised	25,210,306	9,109,576	15,062,825	9,109,576
Recognised deferred income tax from tax losses carried forward	(1,507,158)	(7,600,000)	-	-
Tax charge	<u>110,535</u>	<u>960,000</u>	<u>-</u>	<u>2,600,000</u>

26 Earnings (losses) per share

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

	Consolidate		Company	
	2014	2013	2014	2013
Net profit (loss) attributable to ordinary shareholders (Baht)	76,060,408	7,752,331	(57,248,974)	(35,039,696)
Weighted average number of ordinary shares in issue during the year (Shares)	32,400,000	32,400,000	32,400,000	32,400,000
Basic earnings (losses) per share (Baht)	2.35	0.24	(1.77)	(1.08)

There are no potential dilutive shares in issue during the years.

27 Business combinations

Efficient English Services Limited (“EES”)

On 30 April 2014, the Group acquired 100% of the share capital of Efficient English Services Limited (“EES”), which is incorporated in Thailand, and is the exclusive franchisee to operate the “Wall Street English” institute in Thailand for a total consideration of Baht 800 million. As a result of the acquisition, the Group has created business synergy and expanded scope of its business in terms of both size and diversity, thus helping to diversify its business risk.

The goodwill of Baht 726,079,472 was recognised as a result of a number of factors such as expected synergy through leveraging of EES’s skilled personnel to produce the English language teaching TV program.

The following table summarises the consideration paid for EES, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration at 30 April 2014

	Baht
Cash	800,000,000
Total consideration	800,000,000
Acquisition-related costs (included in administrative expenses)	2,500,000

27 Business combinations (Cont'd)
Efficient English Services Limited (“EES”) (Cont'd)

	Baht
Cash and cash equivalents	62,563,137
Trade and other receivables	57,906,764
Inventories	4,798,628
Other current assets	17,998,222
Deposit at bank used as collateral	10,831,000
Equipment	115,630,693
Intangible asset	86,719,309
Other non-current assets	27,401,803
Trade and other payables	(61,730,394)
Advances received	(233,607,356)
Other current liabilities	(14,434,297)
Retirement benefit obligations	(156,981)
Total identifiable net assets	73,920,528
Goodwill	726,079,472

Jeffer Restaurant Company Limited (“JEFFER”)

On 4 December 2014, the Group acquired 100% of the share capital of Jeffer Restaurant Company Limited (“JEFFER”) for a total consideration of Baht 631 million. JEFFER is incorporated in Thailand, operates a restaurant chain under brand “Jeffer Steak”

Net assets from acquisition of investment in JEFFER are stated at the net book value on the date of acquisition. The Group is in the process of appraising the fair value of tangible and intangible assets and liabilities and the adjustments to fair value will be made upon the completion of the appraisal. The difference between net book value and net fair value will be adjusted with goodwill.

The following table summarises the consideration paid for JEFFER, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration at 4 December 2014

	Baht
Cash	631,351,100
Total consideration	631,351,100
Acquisition-related costs (included in administrative expenses)	10,000,000

	Baht
Cash and cash equivalents	980,000
Inventories	15,934,418
Equipment	47,542,639
Other non-current assets	36,522,943
Total identifiable net assets	100,980,000
Goodwill	530,371,100

28 Related party transactions

The major shareholder of the Company is BEC World Public Company Limited (incorporated in Thailand), which owns 18% of the Company's shares. The remaining 82% of the shares are widely held. Details of subsidiaries and associate are set out in Note 12.

The following material transactions were carried out with related parties:

i) Sales of goods and services

For the years ended 31 December	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Revenue from rendering of services				
Major shareholder	40,000	106,625,000	40,000	-
Subsidiaries	-	-	3,964,702	3,451,381
Related companies	35,737,900	39,610,000	97,900	970,000
	<u>35,777,900</u>	<u>146,235,000</u>	<u>4,102,602</u>	<u>4,421,381</u>
Interest income				
Subsidiaries	-	-	-	1,011,612

ii) Purchases of goods and services

For the years ended 31 December	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Purchase of goods from:				
Related companies	<u>7,840</u>	<u>410,429</u>	<u>7,840</u>	<u>410,429</u>
Cost of rendering of services				
Related companies	<u>35,740,000</u>	<u>39,161,000</u>	<u>100,000</u>	<u>521,000</u>
Selling and administrative expenses				
Subsidiaries	-	-	42,598	35,448
Related companies	<u>7,623,893</u>	<u>8,055,406</u>	<u>7,183,010</u>	<u>8,055,406</u>
	<u>7,623,893</u>	<u>8,055,406</u>	<u>7,225,608</u>	<u>8,090,854</u>

28 Related party transactions (Cont'd)

iii) Outstanding balances arising from sales/purchases of goods and services

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Related companies (Note 9)	3,466,800	51,060,400	-	-
Trade and other payable				
Related companies (Note 19)	3,469,791	7,194,003	2,991	3,603
Advances received for production of television programmes				
Related companies	10,000,000	-	-	-
Accrued expenses				
Subsidiaries	-	-	575,918	3,719
Related companies	463,325	459,235	463,325	459,234
	463,325	459,235	1,039,243	462,953
Accrued income				
Subsidiaries	-	-	-	462,953

iv) Loans to related parties

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Loan to:				
Subsidiaries	-	-	-	22,900,000
				Company Baht
For the years ended 31 December 2014				
Beginning balance				22,900,000
Repayment during the year				(22,900,000)
Ending balance				-

The loans to subsidiaries are denominated in Thai Baht, bearing interest rate of bank fixed deposits rate plus 2%, per annum, and there was no specified repayment date.

28 Related party transactions (Cont'd)

v) Borrowings from related party

	Consolidated		Company	
	31 December 2014 Baht	31 December 2013 Baht	31 December 2014 Baht	31 December 2013 Baht
Loan from:				
Subsidiary	-	-	88,000,000	-

Movements in borrowings from related party are analysed as follows:

	Company Baht
For the year ended 31 December 2014	
Opening amount as at 1 January 2014	-
Addition during the year	88,000,000
Closing amount as at 31 December 2014	88,000,000

The loans from subsidiaries are dominated in Thai Baht, bearing interest rate of bank fixed deposits rate plus 0.25% per annum, and there was no specified repayment date.

vi) Key management compensation

The compensation paid or payable to key management is as follows:

For the years ended 31 December	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Short-term employee benefits	43,367,680	22,834,331	34,459,680	14,909,914
Post-employee benefits	1,989,163	542,019	1,916,446	108,159
	<u>45,356,843</u>	<u>23,376,350</u>	<u>36,376,126</u>	<u>15,018,073</u>

29 Commitments and contingencies

Operating lease commitments - where the Group is the lessee

The Group entered into long-term lease agreements to lease spaces in department stores and building for various lease terms.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Not later than 1 year	262,588,359	5,395,917	5,275,625	5,395,917
Later than 1 year but not later than 5 years	170,359,079	11,054,426	5,935,858	11,054,426
Later than 5 years	475,812	631,882	475,812	631,882
	<u>433,423,250</u>	<u>17,082,225</u>	<u>11,687,295</u>	<u>17,082,225</u>

30 Litigations

The Group has contingent liabilities in respect of legal claims as detailed below.

- a) A subsidiary of the Company 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 but the Court had discussed the case. Subsequently, the subsidiary has filed the appeal to the Supreme Court. However, this compensation of Baht 9.40 million had been recorded as expense during 2007 and the correspondence liability is recorded under "Other non-current liability". The Group had also deposited such amount in the escrow account with the Court and this amount is included in "Other non-current assets".

On 5 August 2014, the Supreme Court ordered the subsidiary to pay the compensation to the former executive amounting to Baht 779,256 from the total claim of Baht 9.40 million. According to the final judgment, the Company shall redeem the deposit of Baht 8,617,654 from the Central Labor Court.

- b) 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.

There is no provision made for litigations case b), and it is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

31 Events occurring after the reporting date

At the Board of Directors Meeting held on 26 February 2015, the Board approved the change in the par value of the Company's ordinary share from Baht 10 to Baht 1 per share.

13. Management Discussion, Analysis of Financial Positions and Operating Results

➤ Management Discussion, Analysis of Financial Positions and Operating Results

Wave began its transformation into becoming a leading “Lifestyle & Entertainment” Company. The expansion into the Lifestyle Sectors of Food, Retail, and Education taps into opportunities of the growing Thai middle-class, and the onset of the AEC. The acquisition of 2 new businesses, “Wall Street English” in May, and “Jeffer Restaurant” in December, resulted in a significant increase in total revenue and operating profits compared to the previous year. Net income for the year 2014 was THB 76.06M, a 881% increase over the previous year. This performance translates into a net profit per share of THB 2.35, a rise of THB 2.11 or an increase of 879% YoY.

Income from sales and services

In 2014, the Group’s revenue was at THB 634.26 million, a 124% increase over the previous year. The 2014 revenue comprised of television programs’ production and distribution, revenue from concerts and events, revenue from sub-leases, revenue from DVD sales and newly acquired businesses in 2014. Details of revenue are as follows:

1) Revenue from Language Institute Service of THB 464.33 million

The Group’s purchase of the Wall Street English Institute in May 2014 resulted in revenue recognition starting from the same month. Revenue is recognized under the service-rendered revenue basis on student contracts in accordance with the current generally accepted accounting standards. The respective cash sale for the same 8-month period was THB 490.57 million, or a monthly average of THB 61.32 million.

2) Revenue from Television Productions and Distribution of THB 64.60 million.

TV Production revenues decreased by THB 114.61 Million or 64% due to the postponement of one production-service show into early 2015, leaving only “Jood Nut Phob”.

3) Revenue from Restaurant of THB 57.42 million

As the Group completed its acquisition of Jeffer restaurants on 4 December 2014, revenue recognition began only for the month of December in 2014.

4) Revenue from Concerts and Events of THB 41.79 million

Concert Revenues decreased by THB 15.67M or 27% due to political and economic downturns, directly impacting the first half of 2014, leaving only 2 concerts which are “The Palace and Friends” and “Yesterday Once More” for the second half of the year compared to 5 concerts in 2013.

5) Other revenues of THB 6.11 million

Other income comprises of rental sub-leases income of THB 6.05 million, dropping THB 0.29 million or 4% from the previous year due to non-renewals occurring from the economic downturn, and revenue from DVD sales of THB 0.06 million, decreasing THB 1.03 million or 94% due to sharp declines in demand for consumer DVDs.

Selling and Servicing Costs:

The Group incurred total costs of THB 449.03 million, an increase of THB 248.22 million or 124% over the previous year which is attributed to the 2 new business acquired during the year. Within the total amount, THB 424.39 million was servicing costs, rising by THB 224.57 million or 112% from the previous year. Selling costs was THB 24.64 million, a rise of THB 23.65 million or 2,399% from a the previous year, which was primarily derived from the restaurant business.

Selling and Administrative Costs:

The Group incurred THB 295.37 million selling and administrative costs, which is an increase of THB 219.55 million or 290%, mostly comprising of costs to acquire the 2 new businesses; such as financial and advisory, loan, marketing and personnel costs. The figure includes amortization of THB 87.55 million intangible assets over the period of 3 to 5 years in line with the current generally accepted accounting standards.

Share of profits in associate companies:

The Group has recorded a share of profits from investments in the Thai Solar Energy PLC (TSE), under which all 10 plants had successfully commenced COD to generate and supply electricity to EGAT at full capacity since mid 2014, resulting in an income recognition of THB 154.28M to the Group, or an increase of THB 158.18M over loss recognition from the previous year. This amount, however, signified a THB 35.61M drop when compared to the first 9-month profit of THB 189.89M due to the recognition of impairments on the Solar Thermal plant in the last quarter of 2014 at the amount of THB 250M.

Financial Status:

• Assets:

The Group's Total Assets as of 31 December 2014 was THB 2,495.21 million, rising THB 1,966.99 million or 372% from the previous year. The increase is attributed to the THB 183.85 million rise in current assets and THB 1,783.14 million in non-current assets.

Details of significant Assets are as follows:

- Cash, cash-equivalents and short-term investments

Assets of the Group in the form of cash, cash equivalents and highly liquid short-term investments amount to THB 168.76 million (7% of total assets), rising THB 75.52 million or 81% compared to the previous year, primarily caused by the acquisition of the 2 new businesses.

- Accounts Receivables - Net:

Net accounts receivables for the year 2014 was THB 73.55 million, 3% of total assets, increasing by THB 7.49 million. The change was caused by a THB 28.29 million drop in net trade receivables from TV productions this year, and an occurrence of THB 35.78 million other receivables compared to the previous year due to THB 24.38 million of pre-paid expenses and THB 11.40 million of accrued income.

- Inventory:

Inventory amounted to THB 27.01 million, or 1% of total assets, an increase of THB 26.97 million over the previous year. Of this amount, THB 19.61 million was of restaurant inventory and THB 7.40 million was of text books, both of which were from the 2 newly acquired businesses.

- Television Programmes and Concerts Production in Progress:

A television programme in progress amounted to THB 34.76 million, or 1% of total assets, increasing from last year by THB 32.07 million, of which the programme is scheduled for an early 2015 launch.

- Investments in Associate Company:

The Company has increased its investment in TSE via a subscription of 22 million newly issued IPO shares at THB 3.90 per share, for a total of THB 85.80 million in accordance to the Board of Directors' Resolution number 4/2014 dated 14 May 2014. The Group has recognized a share of profits on its investment in TSE at THB 154.28 million, resulting in total TSE investment of THB 553.49 million, a rise of THB 240 million over the previous year.

- Equipments:

Equipment amounted to THB 154.93 million, up by THB 142.43 million over the previous year, namely from the increase in office equipment and decorations of THB 126.23 million and construction in progress of restaurant branches and new vehicles of THB 16.20 million.

- Intangible Assets:

Intangible assets amounted to THB 87.55 million, amortized over a period of 3 to 5 years in line with the currently accepted accounting standards. Depreciation and amortization in 2014 was THB 13.75 million, leaving a balance of THB 73.80 million or 3% of total assets comprising THB 19.40 million of copyrights, THB 28.72 million of computer programmes, THB 24.91 million of customer relationships under English academy and THB 0.78 million from others.

- Goodwill:

Goodwill accounted for THB 1,256.45 million or 50% of total assets, reflecting the future value of the 2 newly acquired businesses to be received. The goodwill amount is divided into THB 726.08 million from the English academy and THB 530.37 million from the restaurant business. The goodwill will be tested on an annual basis in line with the currently accepted accounting standards.

- **Deferred Income Tax Credit:**

Deferred income tax credit of THB 9.11 million, an increase of THB 1.50 million from previous year and is calculated based on unutilized tax losses with the high possibility of adequate future income to utilize this tax credit.

- **Other Non-Current Assets:**

Other non-current assets amounted to THB 80.38 million, up by 69.43 million or a 634% increase, mostly are derived from deposits of rental and services to landlord.

- **Liabilities:**

As of 31 December 2014, the Company had total liabilities of THB 1,956.73 million, increased from THB 1,890.92 million in the previous year. The increase was due to long-term loans from financial institutions to finance the 2 new businesses for the amount of THB 1,273.19 million; advanced payments from WSE students of THB 256.55 million and long-term investment creditor as a part of payment to the business purchase agreement of THB 223.05 million, and lastly from accrued expenses, trade creditors and others in total of THB 138.13 million.

- **Equity:**

As of 31 December 2014, the Company's total equity was THB 538.47 million, up THB 76.06 million (16%) from operating profits of the year. Details of the equity are as follows:

- Equity of THB 538.47 million, or 22% of total assets,
- Total liabilities of THB 1,956.73 million, or 78% of total assets,

Significant financial ratios:

- D/E of 3.63 times increasing from 0.14 times in the previous year,
- Book value of total assets of THB 16.62 per share, up from THB 14.27 in previous year.
- Earnings of THB 2.35 per share, up from THB 0.24 per share in previous year.

- **Cash Flows:**

In 2014, the Company and subsidiaries had an increase in cash and cash-equivalents of THB 75.52 million. Cash flow from operations was THB 39.85 million, cash flow from investments was THB 1,242.27 million, cash flow from financing was THB 1,270.82 million, details of each are as follows:

- Operating cash flow was THB 39.85 million an increase of THB 23.05 million over the previous year due to better operating results from the 2 new business acquisitions,
- Investment cash flow of THB 1,242.27 million, up from the previous year due to the acquisition of the 2 new businesses, and the additional investment in TSE and equipment.
- Financing cash flow of THB 1,270.82 million, up from the previous year due to the long-term loans used to acquire the 2 new businesses from 2 banks under the THB 1,335.22 million business purchase agreements. The Group repaid THB 62.03 million in loans during the year 2014 and THB 2.34 million under the financial lease agreement.

➤ **Risk Factors which may impact profits of the Company in the future**

None